

-Original-

**TENNESSEE ORTHOPEDICS
(MRI)**

CN1510-041

Roy C Terry
102 Hartmann Drive Suite G PMB 364
Lebanon TN 37087

1161
87-908/6+1

OCTOBER 6, 2015

PAY TO THE
ORDER OF

Tennessee Health Services Development Agency
Five Thousand Five Hundred Forty-Six and 1/100 DOLLARS \$5,547.71

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CON Filing Fees

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Thank you for your payment.
Have a nice day!

CN1516-041

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Tennessee Orthopedics, P.C.

Name

101 Physicians Way

Street or Route

Lebanon

City

TN

State

Wilson

County

37090

Zip Code

2. Contact Person Available for Responses to Questions

Christi D. Griffin, Esq.

Name

Griffin Law Office

Company Name

113 E. Main Street

Street or Route

Legal Counsel

Association with Owner

Lebanon

City

(615) 668-0462

Phone Number

Attorney

Title

christi@griffinlawtn.com

Email address

TN 37087

State Zip Code

(615) 444-4877

Fax Number

3. Owner of the Facility, Agency or Institution

Roy C. Terry, M.D.

Name

1616 W. Main Street

Street or Route

Lebanon

City

TN

State

(615) 449-0990

Phone Number

Wilson

County

37087

Zip Code

4. Type of Ownership of Control (Check One)

A. Sole Proprietorship _____

B. Partnership _____

C. Limited Partnership _____

D. Corporation (For Profit) _____

E. Corporation (Not-for-Profit) _____

F. Government (State of TN or
Political Subdivision) _____

G. Joint Venture _____

H. Limited Liability Company _____

I. Other (Specify) **XXX**
Corporation

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

5. **Name of Management/Operating Entity (If Applicable)**

Not Applicable (N/A)

Name _____

Street or Route _____

County _____

City _____

State _____

Zip Code _____

**PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

6. **Legal Interest in the Site of the Institution (Check One)**

A. Ownership _____

B. Option to Purchase _____

C. Lease of 8 Years _____

XXXX

D. Option to Lease _____

E. Other (Specify) _____

[See Attachment "Section A – Applicant Profile – Item # 6"]

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

7. **Type of Institution (Check as appropriate--more than one response may apply)**

A. Hospital (Specify) _____

B. Ambulatory Surgical Treatment
Center (ASTC), Multi-Specialty _____

C. ASTC, Single Specialty _____

D. Home Health Agency _____

E. Hospice _____

F. Mental Health Hospital _____

G. Mental Health Residential
Treatment Facility _____

H. Mental Retardation Institutional
Habilitation Facility (ICF/MR) _____

I. Nursing Home _____

J. Outpatient Diagnostic Center _____

K. Recuperation Center _____

L. Rehabilitation Facility _____

M. Residential Hospice _____

N. Non-Residential Methadone
Facility _____

O. Birthing Center _____

P. Other Outpatient Facility
(Specify) _____

Q. Other (Specify) **Medical Group** XXX
Practice

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

A. New Institution _____

B. Replacement/Existing Facility _____

C. Modification/Existing Facility _____

D. Initiation of Health Care
Service as defined in TCA §
68-11-1607(4)
(Specify) _____

E. Discontinuance of OB Services _____

F. Acquisition of Equipment _____

G. Change in Bed Complement
[Please note the type of change
by underlining the appropriate
response: Increase, Decrease,
Designation, Distribution,
Conversion, Relocation]

H. Change of Location _____

I. Other (Specify) **MRI Upgrade** _____

XXX

XXX

9. **Bed Complement Data** **Not Applicable (N/A)**
Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed</u>	<u>*CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	_____	_____	_____	_____	_____
B. Surgical	_____	_____	_____	_____	_____
C. Long-Term Care Hospital	_____	_____	_____	_____	_____
D. Obstetrical	_____	_____	_____	_____	_____
E. ICU/CCU	_____	_____	_____	_____	_____
F. Neonatal	_____	_____	_____	_____	_____
G. Pediatric	_____	_____	_____	_____	_____
H. Adult Psychiatric	_____	_____	_____	_____	_____
I. Geriatric Psychiatric	_____	_____	_____	_____	_____
J. Child/Adolescent Psychiatric	_____	_____	_____	_____	_____
K. Rehabilitation	_____	_____	_____	_____	_____
L. Nursing Facility (non-Medicaid Certified)	_____	_____	_____	_____	_____
M. Nursing Facility Level 1 (Medicaid only)	_____	_____	_____	_____	_____
N. Nursing Facility Level 2 (Medicare only)	_____	_____	_____	_____	_____
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	_____	_____	_____	_____	_____
P. ICF/MR	_____	_____	_____	_____	_____
Q. Adult Chemical Dependency	_____	_____	_____	_____	_____
R. Child and Adolescent Chemical Dependency	_____	_____	_____	_____	_____
S. Swing Beds	_____	_____	_____	_____	_____
T. Mental Health Residential Treatment	_____	_____	_____	_____	_____
U. Residential Hospice	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____

*CON-Beds approved but not yet in service

10. **Medicare Provider Number** **3717761**

Certification Type **N/A**

11. **Medicaid Provider Number** **3717761**

Certification Type **N/A**

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid? (N/A)**

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.** [See Attachment "Section A – Applicant Profile – Item # 13"] **Will this project involve the treatment of TennCare participants? YES**
If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract. Discuss any out-of-network relationship in place with MCOs/BHOs in the area. [See Attachment "Section A – Applicant Profile – Item # 13"]

SECTION B: PROJECT DESCRIPTION

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

RESPONSE:

Executive Summary

Applicant proposes to relocate its current MRI scanner (CON # CN0004-024) to Applicant's new medical office located at 101 Physicians Way, Lebanon, TN 37087, a distance of 3.94 miles. The MRI will be operationalized at the new medical office location on February 1, 2016. Applicant also proposes to upgrade the current MRI scanner with a new state-of-the-art Optima MR450w 1.5T MR System-MSK with Flex Arrays MRI unit ("Optima MRI"), which will be leased from GE Healthcare Financial Services ("GE Healthcare").

Applicant is a specialty orthopedic and orthopedic surgery practice currently located at 1616 West Main Street, Suite 200, Lebanon, TN 38087. Applicant provides in-office only MRI services to its patients pursuant to CON No. CN0004-024, and has done so continuously since May 1, 2004. Applicant's CON designation is "physician's office," and MRI services are ordered only for Applicant's established patients for whom MRI is medically indicated.

History of Applicant's CON for MRI

Applicant began operations as Tennessee Orthopedics, P.C. on May 1, 2004, when the physicians who formed Tennessee Orthopedics separated employment from the University Medical Center located in Lebanon, Tennessee ("UMC") and acquired certain practice assets from UMC. One of the assets acquired was a Toshiba OPART .35 Open MRI Version 4.0 MRI scanner ("Toshiba MRI") approved under CN0004-024 ("2004 CON") and issued to Associated Radiologists, P.C., an outpatient diagnostic center located at 1616 West Main Street in Lebanon. Associated Radiologists was subsequently acquired by UMC or an affiliate of UMC, and the Toshiba MRI and the 2004 CON came under the ownership of UMC, which operated the Toshiba MRI in an outpatient diagnostic center. UMC transferred ownership of the Toshiba MRI and the 2004 CON to the Applicant pursuant to an asset purchase agreement effective as of May 1, 2004, whereafter Applicant operated the Toshiba MRI as a physician's office MRI for use with Applicant's own patients only. In 2011, Applicant upgraded the Toshiba MRI with a Signa HDe 1.5T 8-channel MR System ("Signa MRI"), which is currently in use in Applicant's medical office. This application seeks to relocate and upgrade the current Signa MRI as described in more detail below

Equipment

<u>Current MRI Being Taken Out of Service</u>	<u>New MRI Being Placed Into Service as of 2/1/16</u>
Signa HDe 1.5T 8-channel MR System	Optima MR450w 1.5T MR System-MSK with Flex Arrays MRI unit
Model: HDe 1.5T	Model: W450
Current Age: 5 years (2011 acquisition)	Current Age: N/A
Serial No.: 0Z301545UJ	Serial No.: Not determined
Ownership: The Signa MRI is leased from GE Healthcare.	Ownership: The Optima MRI will be leased from GE Healthcare pursuant to a 7-year lease.

The Optima MRI is GE's newest model of MRI, and is more open than any other MRI unit in Wilson County. The Optima MRI is able to accommodate larger-sized patients up to 500 pounds and offers more choices for body positioning inside the MRI. In terms of historic MRI terminology, the Optima MRI is comparable to an open MRI in that it accommodates patients with the grossly large body habitus. No other MRI located in Wilson County has this capability. By adding the Optima MRI to the MRI inventory in Wilson County, as well as the smaller contiguous counties also served by Applicant, patients who have previously been referred to Davidson County for MRI will be able to remain in Wilson County, creating more efficient health care delivery systemically as well as locally for the patients.

Need

This application does not seek to add additional MRI scanners to the service area, but rather seeks to replace an older model MRI with a new model MRI that is both more efficient and provides better quality scans. The MRI inventory remains unchanged. However, the MRI will be located in a new physicians' medical park immediately off of Interstate 40 Exit 236 (Hartmann Drive Exit) that offers easy access for Applicant's patients traveling from within or without Wilson County. The approval of this CON application will enable Applicant's patients to continue to experience the convenience of an on-site MRI, which greatly benefits Applicant's patients who tend to have physical mobility limitations, difficulty ambulating, and difficulty getting in and out of vehicles. By having the MRI on-site, Applicant's do not have to travel to an off-site MRI location with all of the inconveniences of traffic, parking, walking distance, and increased wait times.

Project Resources

The MRI facility will be located in a new office building owned by Phoenix Medical Office Building, LLC and leased to Applicant. Instead of incurring expense to relocate the old Signa MRI to the new location, Applicant is upgrading to the new Optima MRI which will be delivered and installed directly by the manufacturer. The old Signa unit will be returned to GE Healthcare pursuant to the end-of-lease options, with GE Healthcare paying for the removal and shipping of the old Signa unit. Upgrading to the new Optima MRI is not only better for patients, but it is also more cost effective as compared to the cost of relocating the old unit to the new medical office.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RESPONSE:

Applicant is relocating its orthopedic practice to a newly constructed medical office building located at 101 Physicians Way in Lebanon, Tennessee, which is currently under construction. The new building is one of five parcels in a new medical office complex known as Physicians Plaza of Lebanon, and is located immediately off of Exit 236 on I-40 (Hartmann Drive Exit). The Applicant will lease the premises from Phoenix Medical Office Building, LLC, which is wholly owned by Roy C. Terry, M.D. The only construction costs to be incurred by Applicant are MRI shielding and build-out costs for the MRI space, estimated to be \$150,000. Applicant seeks to relocate the MRI CON to the new location at 101 Physicians Way, and to replace and upgrade the Signa MRI that Applicant is currently using with the new Optima MRI as described above. The Square Footage and Cost per Square Foot Chart is not provided because the construction-related costs for this application are less than \$2 million.

The new location is in a rapidly developing area of Lebanon immediately off of Interstate 40 at Exit 236 (Hartmann Drive), approximately four miles from Applicant's current practice location. The Interstate access to Applicant's new medical office provides much easier access for patients from each of the six counties that comprise Applicant's service area, no longer requiring Applicant's patients to travel into the downtown corridor of Lebanon. Relocating the MRI to Applicant's new medical office will allow Applicant's patients to continue to receive MRI scans at the same location where they see their physician and where they receive other imaging services such as x-ray, thus maintaining the status quo albeit in a more convenient and easily accessed location.

Access to Applicant's new medical office on Physicians Way is via Franklin Road or South Hartmann Drive. The site will have ample patient parking as required by building codes, and will include a covered drop-off area located adjacent to the space housing the MRI facility. The new Optima MRI will be located on the ground level immediately adjoining the main entrance and patient drop-off area. This will allow for ease of access of patients while still providing for medical supervision as may be appropriate. The MRI space will include a waiting area, a reception and business office area, and private patient changing rooms and lockers adjacent to a large room containing the MRI unit. Ample space will be available for offices for the MRI technologist and associated work areas.

- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

RESPONSE:

Not Applicable (N/A). This application is for the relocation and upgrade of an existing MRI unit. It does not involve any beds for health care services.

NOT APPLICABLE (N/A) BECAUSE PROJECT COSTS EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT ARE < \$2M

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C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. **Magnetic Resonance Imaging (MRI) ****
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

RESPONSE:

Applicant will continue to provide MRI services to patients in Applicant's orthopedic and orthopedic surgery practice, as it has done continuously since the practice was formed on May 1, 2004. Retaining the ability to provide onsite MRI services is important to Applicant being able to provide appropriate and timely diagnostic services to its patients, many of whom have difficulty with mobility and ambulation due to their orthopedic conditions.

MRI scans are an indispensable tool in the diagnosis of orthopedic conditions. By providing a high quality state-of-the-art MRI scanner in its practice, Applicant is able to obtain the scan the same day as the patient's office visit, thus providing prompt diagnosis and treatment options for its patients. The new Optima MRI provides enhanced patient comfort features and superb clinical quality and capabilities. The Optima MRI is comparable to an open MRI in that it has a 50 cm usable field of view to accommodate patients up to 500 pounds. There is no other MRI in Wilson County that can accommodate patients with such large body habitus, and therefore, patients who have historically been referred outside of Wilson County for MRI will now be able to remain in Wilson County. The large-patient field of view also provides more flexibility for patient positioning, an important feature for an orthopedic practice seeing patients with severe mobility limitations.

As the Applicant relocates its offices to the new site, it is imperative for the continued success of both the Applicant and its MRI services that the MRI equipment move with the Applicant's practice.

D. Describe the need to change location or replace an existing facility.

RESPONSE:

Applicant is moving its medical office to a newly constructed medical office building with an expected February 1, 2016 move in date. As the MRI service has become an essential tool in the Applicant's practice, relocation of the MRI unit is essential.

The new location will offer patients, particularly those with physical impairments and disabilities (which is very common among the Applicant's orthopedic surgery practice), a greater ease of access, more efficient space, and more healthful surroundings. The space is at a new location that is easily accessible by public transportation, car, ambulance and wheelchair van, and that has ample parking immediately in front of the building. The MRI unit will be installed in an area larger than its current location, allowing MRI technologists increased access to the patient during the procedure. Changing rooms and lockers are located immediately adjacent to the MRI scanning room, as opposed to the dated layout in the current location, where the patient must travel through semi-public areas to get from the changing room to the MRI imaging room.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

a. Describe the new equipment, including:

1. Total cost (As defined by Agency Rule);
2. Expected useful life;
3. List of clinical applications to be provided; and
4. Documentation of FDA approval.

b. Provide current and proposed schedules of operations.

RESPONSE:

Upgraded MRI Unit: Optima MR450w 1.5T MR System-MSK with Flex Arrays

Total Cost: The total cost of leasing the Optima MRI unit is \$1,987,289.56 [+restoration of current MRI space]. The costs are detailed as follows:

• 7-year equipment lease for the Optima MRI unit*	\$1,210,156.70
• 7-year service agreement, commencing year 2 of lease	\$ 692,454.00
• Estimated sales tax	\$ 84,678.86
• MRI suite build-out and MRI shielding**	\$ 150,000.00
• Installation/transport of new Optima MRI	No additional charge
• De-installation/transport of old Signa MRI unit	No additional charge

A copy of the quote for the equipment lease, service agreement, estimated sales tax, and associated equipment lease documentation is attached at Attachment "Section B – Project Description – Item # II.E.1.a.1(i)."

***The cost of a 7-year capital lease for the Optima MRI is the same as purchasing the Optima MRI outright. The manufacturer's quote of the fair market value purchase price is attached at Attachment "Section B – Project Description – Item # II.E.1.a.1(ii)."**

****The estimated cost of the build-out and MRI shielding is attached at Attachment "Section B – Project Description – Item # II.E.1.a.1(iii)." The build-out and shielding costs are charged to Applicant as Additional Rent under the facility lease, attached as Attachment "Section A – Applicant Profile – Item # 6."**

Expected useful life: 10 Years. See GE Healthcare "useful life" letter attached as Attachment "Section B – Project Description – Item # II.E.1.a.2."

List of clinical applications to be provided: The Optima MRI referenced above is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used. The images produced by the Optima MRI reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

Documentation of FDA Approval: See Attachment "Section B – Project Description – Item # II.E.1.a.4."

Current and Proposed Schedules of Operations:

Monday – Thursday, 7:00 A.M. - 4:30 P.M., excluding holidays

Friday – as needed

(Hours to increase as additional providers hired)

2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.

RESPONSE:

Not Applicable (N/A)

3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

RESPONSE:

Applicant's lease of the Optima MRI is for a 7-year term. The total cost of the lease, inclusive of equipment, service and taxes, is \$1,987,289.56 (cost break-down detailed in Response to Question II.E.1.a above.) The quote for the equipment lease, sales tax, and associated service agreement is attached at Attachment "Section B – Project Cost – Item # II.E.1.a1(i)."

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:

1. Size of site (*in acres*);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

RESPONSE:

A copy of the plot plan for the new medical office building in which the MRI will be located is attached at Attachment "Section B – Project Description – Item # III.A."

Size of site (in acres): 3.63 acres

Location of structure on the site: Applicant's medical office building is located on Lot 3, which is depicted on the plot plan attached at Attachment "Section B – Project Description – III.A."

Location of the proposed construction: 101 Physicians Way, Lebanon, TN 37090

Names of streets, roads or highway that cross or border the site: 101 Physicians Way intersects with South Hartmann Drive and Franklin Road in Lebanon. The location is accessible from Interstate-40 via South Hartmann Drive at Exit 236.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE:

The new location is near the intersection of two major traffic arteries in Lebanon, Tennessee; Franklin Road and South Hartmann Drive. The location is immediately off of Exit 236 of Interstate I-40, the primary east-west corridor in Tennessee. This will allow ease of access for patients who reside in Wilson County as well as neighboring counties.

The location is accessible by wheel chair van, ambulance and private vehicle. The location is also accessible by public door-to-door transportation through the Mid-Cumberland Human Resource Agency serving Wilson, Trousdale, Sumner and Davidson counties and the Upper Cumberland Human Resource Agency serving Macon and Smith counties. The Mid-Cumberland and Upper Cumberland Human Resource Agencies each provide assistance to individuals with mobility limitations, to include wheel chair lifts and assistance ambulating.

The proposed space will have ample parking in front of the building. There is a covered patient drop-off area at the building's front door, and only a few yards from the ground-floor registration and waiting area used for the MRI location. The new location is being designed to provide maximum accessibility for patients who have physical impairments, disabilities, or mobility concerns.

- IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

RESPONSE:

See Attachment "Section B – Project Description – Item # IV."

- V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

RESPONSE:

Not Applicable (N/A)

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

RESPONSE:

Applicant currently operates a Certificate of Need for an MRI (CN0004-024). This project requests approval to move the CON from its current location to a new location in the same service area. This project does not propose adding services to the community.

- b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

RESPONSE:

Not Applicable (N/A). The MRI services at the new location will be provided in Applicant's orthopedic practice located in a private physician's office; not in a health care institution.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE:

The Applicant's long-range development plans include the continued growth of the Applicant's orthopedic practice in a modern medical office building that fully meets its patients' needs and the needs of the communities located in the Applicant's service area. As such, this application seeks to relocate the existing CON and to upgrade the existing MRI unit. The new Optima MRI unit will be the most efficacious in the County as it will be the only MRI to accommodate patients weighing up to 500 pounds. Relocation and upgrade of Applicant's MRI is an integral and necessary component of Applicant's long-term strategic plan of housing all clinical services provided by Applicant in the same location, thus maximizing efficiencies and efficacies associated with the delivery of orthopedic services. Applicant's patients will be able to receive 360-degree orthopedic care without having to commute from the office to an off-site diagnostic center, the local hospital's imaging department, or into Nashville metropolitan. In addition to offering its patients a comprehensive orthopedic services facility, Applicant's long-range plan includes growth of the practice through the recruitment of additional physician and non-physician providers who will utilize the MRI services as medically indicated.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

RESPONSE:

The Applicant's service area predominantly includes Wilson, Smith, Macon, Sumner and Trousdale counties, with 89.1% of Applicant's patients originating in these five counties. Wilson County is Applicant's primary service area, with 39.56% of Applicant's patients originating in Wilson County. In addition to Applicant's main office located in Wilson County (Lebanon), Applicant maintains a second Wilson County office in Mount Juliet, and satellite medical offices in Sumner (Gallatin), Macon (LaFayette) and Smith (Carthage) Counties. See the county-level service area map attached at Attachment "Section C – General Criteria for Certificate of Need – Need – Item # 2."

With regard to the reasonableness of the identified service area, Applicant's records show the following patient demographic data:

Wilson County	39.56%
Smith County	16.45%
Macon County	14.41%
Sumner County	13.43%
Trousdale County	5.25%
Other	10.90%
	100 %

Applicant holds medical staff privileges, performs orthopedic surgery, and takes emergency call at the following hospitals in the following service area counties:

- Wilson County: University Medical Center, Lebanon; Mt. Juliet Outpatient Surgery Center
- Sumner County: Sumner Regional Medical Center, Gallatin; Patient Partners Surgery Center, Gallatin
- Macon County: Macon County General Hospital, LaFayette
- Smith County: Riverview Regional Medical Center, Carthage
- Trousdale County: Trousdale Medical Center, Hartsville (no surgeries)
- Davidson County: Tri-Star Summit Medical Center, Hermitage

Applicant sees patients in nursing and rehabilitation centers at the following facilities located in the following service area counties. Applicant goes to see the patients in their long-term care facility so that the patients, who have mobility and ambulation limitations, do not have to travel to Applicant's office and the facility does not incur the cost of ambulance transport.

- Wilson County: Lebanon Health Care & Rehabilitation Center; Quality Care Health Center, Lebanon; The Pavilion Rehabilitation and Long Term Care Center, Lebanon
- Macon County: Knollwood Manor, LaFayette; The White House Assisted Living, LaFayette
- Smith County: Kindred Nursing & Rehabilitation Center, Carthage.

Applicant attends high school football games and tends to athletes' injuries for the following schools located in the service area:

- Wilson County: Lebanon High School; Friendship Christian School, Lebanon
- Macon County: Macon County High School, LaFayette
- Smith County: Smith County High School, Carthage

The new Optima MRI unit that Applicant proposes to install and operationalize will be the only MRI unit in or around Wilson County that can accommodate patients up to 500 pounds. This unit provides quicker and quieter scans than other area MRI units, which is better for patients in general but is particularly better for patients with physical or mental conditions that make MRI scanning difficult. Applicant's new office location immediately off of Interstate 40 makes it easier for Applicant's patients to reach Applicant's office, and the state-of-the-art construction and design of the new office makes it easier for patients with and without physical limitations to access the MRI facility.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE:

According to the U.S. Census Bureau's most recent figures, Wilson County (comprising 39.56% of Applicant's patient population) is tied for the second-fastest growing county in Tennessee. Wilson County is projected to grow 21.55% from 2010 to 2020. The 2010-2020 population growth for all five counties comprising Applicant's service area is 18.11%. All age groups, genders and ethnicities require MRI services. Therefore, the marked projected growth rate for the Applicant's service area provides strong support for permitting Applicant to continue providing MRI services at its new location, as well as permitting Applicant to provide these MRI services through a new MRI unit that has greater functionality than the existing unit.

The projected population statistics and growth for each county represented in Applicant's service area is as follows:

Wilson:	113,993 population in 2010, projected to increase to 138,561 in 2020, for a projected growth rate of 21.55%.
Sumner:	160,645 population in 2010, projected to increase to 190,261 in 2020, for a projected growth rate of 18.44%.
Macon:	22,248 population in 2010, projected to increase to 24,202 in 2020, for a projected growth rate of 8.78%.
Smith:	19,166 population in 2010, projected to increase to 20,833 in 2020, for a projected growth rate of 8.70%.
Trousdale:	7,870 population in 2010, projected to increase to 8,739 in 2020, for a projected growth rate of 11.04%.
5-County Service Area	323,922 population in 2010, projected to increase to 382,596 in 2020, for a projected growth rate of 18.11%.

Sources: Esh, Connie. "County Near Tennessee's Top in Growth," Wilson Post, Apr. 9 2015.

Tennessee State Data Center, Center for Business and Economic Research. "Tennessee County Population Projections 2011-2064."

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE:

The medical services offered in Applicant's orthopedic practice are tailored to the needs of the communities located in Applicant's service area. Applicant's patient population is representative of these communities with regard to demographics, income disparities and special needs. As such, Applicant participates in health fairs and events providing medical services to the public, including partnering with public schools to provide orthopedic services to student athletes, long term care facilities to provide medical services to fragile residents who have difficulty travelling to a medical office, and employing bilingual staff to better serve the growing Hispanic population. Applicant is a participating provider in the TennCare managed care plans and with Medicare, with approximately 18% of Applicant's patient census being TennCare and 20% being Medicare/Medicare Advantage. Applicant does not place a capitation on the number of patients who will be accepted from particular insurance providers, including TennCare and Medicare patients. Additionally, Applicant provides medical services to all patients without regard to their ability to pay.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: The MRI Utilization Report, dated as of August 10, 2015 and published by the Tennessee Health Services and Development Agency, shows the following 2012-2014 utilization for the four Wilson County MRI units, regardless of patient origin, e.g., patients originating from within or without of Tennessee:

MRI Provider	Distance from Applicant	Facility Type	2012 Total MRI Procedures	2013 Total MRI Procedures	2014 Total MRI Procedures	% Change '12-'14
Tennessee Orthopedics (Applicant)	N/A	PO	1197	1196	909	-24.06%
Premier Radiology-Mt. Juliet	11.69 mi.	ODC	2559	2562	3191	24.7%
Tennessee Sports Medicine	4.01 mi.	PO	1125	1801	1501	33.42%
University Medical Center	3.80 mi.	HOSP	3000	2213	2472	-17.6%

The drop in Applicant's MRI utilization in 2014 was due to the November 2013 reorganization of the practice, when four of six ordering providers separated from the practice. As a direct result of the reorganization, Applicant's 2014 MRI utilization decreased because there were only two ordering providers for the entire year. A third provider was added to the practice in November 2014, which has resulted in projected 2015 MRI utilization of 1,296 procedures. MRI utilization in 2016 and beyond is projected to further increase as the practice adds at least two additional physician providers beginning in September 2016.

Wilson County MRI utilization by patients originating in Wilson County, as reported in the HSDA County-Level MRI Utilization Report as of Year-End 2014, shows the following Wilson County patient utilization of Wilson County MRI providers for the year 2014.*

MRI Provider	Facility Type	Wilson Co. Resident MRI Procedures in 2014	Tennessee Resident MRI Procedures in 2014	Wilson Co. Procedures as % of Provider Total (2014)
Tennessee Orthopedics (Applicant)	PO	395	885	44.64%
Premier Radiology-Mt. Juliet	ODC	2113	3151	67.06%
Tennessee Sports Medicine	PO	Did Not Report	Did Not report	Did Not Report
University Medical Center	HOSP	1785	2472	72.21%

*The "Tennessee Resident MRI Procedures in 2014" column above shows a different procedure total than the 909 MRI procedures reported in the 2014 MRI Utilization Report, dated as of August 10, 2015, as published by the Tennessee Health Services and Development Agency, because the chart above reports only patients originating in Tennessee, whereas the MRI Utilization Report reports patients originating in any state of the United States.

The County-Level MRI Utilization Report for 2014 shows a 62% outmigration of Wilson County residents for MRI scans, meaning that 62% of Wilson County residents went outside of Wilson County to receive an MRI scan. Only 38% of Wilson County residents who received an MRI in 2014 received the MRI scan in Wilson County.

Not only will MRI utilization increase with the 21.55% population growth projected for Wilson County for the period 2010 through 2020, but the addition of the state-of-the-art Optima MRI unit proposed by Applicant will incentivize Wilson County residents to remain in the county for their health care as opposed to going outside of the county. The Optima MRI offers diagnostic capabilities and patient comfort features not available from any other MRI scanner currently operating in Wilson County. Applicant's utilization of MRI will also increase as Applicant's practice expands with the employment of additional physicians beginning in September 2016 and continuing into 2017.

Applicant is unaware of approved but unimplemented MRI projects within Applicant's geographic service area.

Sources: *Tennessee Health Services and Development Agency, MRI Equipment Utilization Report (As Of 8/10/2015).*

Tennessee Health Services and Development Agency, County-Level MRI Utilization Report as of Year-End 2014, Tennessee Health Services and Development Agency,

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: Applicant's reported MRI utilization for each of the past three years (2012-2014), as reported in the HSDA MRI Utilization Report, and projected MRI utilization for each of the two years following completion of the project (2015-2017), is as follows:

Immediately Preceding 3-Year Reported MRI Utilization*			2-Years Following Project Completion Projected MRI Utilization**	
Applicant 2012 Procedures	Applicant 2013 Procedures	Applicant 2014 Procedures	Applicant Projected 2016 Procedures (1 st year after relocation)	Applicant Projected 2017 Procedures (2 nd year after relocation)
1197	1196	909	1,693	2,565

*Source: *Tennessee Health Services and Development Agency, MRI Equipment Utilization Report (As Of 8/10/2015).*

**Source: *Applicant's MRI utilization projections. See projection methodology attached as Attachment "Section C – General Criteria for Certificate of Need – Need – Item # 6."*

Applicant's projections for 2016 and 2017 MRI utilization are premised upon (1) Applicant hiring additional orthopedic surgeons and other medical providers beginning in September 2016, (2) an increase in patient census due to the new office with its state-of-the-art facility and convenient location, (3) increased referral relationships from the primary care community throughout Applicant's geographic service area, and (4) the anticipated population growth for Wilson County and the entire geographic service area.

The projection methodology for E&M's, as shown in Table 1, is based upon Applicant's 2015 Q-3 actual Evaluation and Management ("E&M") encounters (the data element used to estimate patient visits). Table 2 shows the actual MRI utilization for that same period of time. Table 3 shows the Applicant's current single Physician-ordered MRI's per Month and projected Physiian-ordered MRI's for all of 2015. In Table 4, the projected E&M's contributable to growth is outlined by utilizing the Projected E&M's per year, the expected 10% increase due to new facility and location, the 5% increase due to new referral relationships, the 2.155%/yr. Growth due to Population growth and the previous year projected E&M's. The summation of these facts will give a Projected Annual E&M growth pattern. Finally, Table 5 demonstrates the Projected MRI's due to Growth plus the addition of one Physician in September 2016 and an additional Physician by June 2017 creating the Projected Annual MRI's from 2015 to 2017.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.
- physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

Response:

The Project Cost Chart that follows this page documents the following costs for this project:

- A. Legal, Administrative and Consulting Fees: Estimated at \$15,000.
- B. Facility: The MRI suite is housed inside a medical office building owned by Phoenix Medical Office Building, LLC (PMOB"), which is leasing the building to Applicant for Applicant's medical practice. Applicant and PMOB are entering into a separate lease agreement for the MRI suite which comprises 1,396 square feet of the building, covering the timeframe contemplated for Applicant's use of the Optima MRI. The lease agreement includes annual lease costs, which in the first year are \$19/square foot base rent, \$4/square foot common area maintenance, and a 7-year loan at 5% interest from landlord to pay the build-out and MRI shielding costs. The total lease costs over the 8-years of the project are \$463,360.16. The lease agreement is attached as Attachment "Section A – Applicant Profile – Item # 6." The contractor's estimated build-out and MRI shield expense is included in the immediately referenced attachment setting forth the lease agreement.

- C. **Equipment:** The Optima MRI is being leased from GE Healthcare for a 7-year lease term at a total cost of \$1,210,156.70. At the end of the term, Applicant will have end-of-term options to include purchasing the MRI. The leased equipment is subject to taxes at the estimated rate of 7% of the lease price, or \$84,678.86. Applicant is entering into a 7-year service agreement commencing the second year of the lease term, thus extending the total timeframe of this project to 8-years. The annual cost of the service agreement is \$98,922, or \$692,454 over the course of this project. The equipment lease and service agreement quote from GE Healthcare is attached at Attachment "Section B – Project Cost – Item # II.E.a.1(i)."

The fair market purchase price of the Optima MRI is the same as the quoted lease cost. See the GE Healthcare purchase price quote attached as Attachment "Section B – Project Cost – Item # II.E.a.1(ii)."

- D. **Total Project Cost:** The total project cost, exclusive of the CON filing fee, is \$2,465,649.72.

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:	
	1. Architectural and Engineering Fees	
	2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$ 15,000.00
	3. Acquisition of Site	
	4. Preparation of Site	
	5. Construction Costs	
	6. Contingency Fund	
	7. Fixed Equipment (Not included in Construction Contract)	
	8. Moveable Equipment (List all equipment over \$50,000)	
	9. Other (Specify) _____	
B.	Acquisition by gift, donation or lease:	
	1. Facility (inclusive of building and land) Medical office space lease	\$ 463,360.16
	2. Building only	
	3. Land only	
	4. Equipment (Specify) Equipment lease, service agreement, estimated taxes	\$1,987,289.56
	5. Other (Specify)	
C.	Financing Costs and Fees:	
	1. Interim Financing	
	2. Underwriting Costs	
	3. Reserve for One Year's Debt Service	
	4. Other (Specify) _____	
D.	Estimated Project Cost (A+B+C)	\$2,465,649.72
E.	CON Filing Fee	\$ 5,547.71
F.	Total Estimated Project Cost TOTAL	\$2,471,197.43
	(D+E)	

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. (*Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.*)

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contract, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.

RESPONSE:

This project is financed with the cash reserves of the Applicant. The monthly equipment lease, associated taxes, and service agreement will be paid as those amounts are due under the respective agreements with GE Healthcare. The monthly facility rent payments will similarly be paid to the landlord each month as they become due. Applicant's realized revenues are dependent on insurance claims being processed and paid in a timely manner, and because there can be great variation in the timeliness as well as the amount of payments received from third party payers, Applicant maintains a \$250,000 commercial line of credit to supplement cash needs from time to time. Applicant's 2014 year-end unaudited financial statements and 2015 year-to-date unaudited financial statements as of August 31 are attached as requested in response to Item # 10 in this Section C-Economic Feasibility (see "Attachment C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10.")

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

RESPONSE:

The estimated cost per square foot of the project is \$1,766.00, calculated as follows: \$2,465,649.72 estimated project cost (excluding filing fee), divided by 1,396 gross square feet for the MRI suite. The principal costs associated with the project are the capital lease for the new MRI unit and the facility lease for the MRI Suite, both of which are fair market value. The monthly capital lease cost for the new Optima MRI unit of \$14,489.72/month is less than the \$15,025.15 monthly capital lease cost for the current Signa MRI unit that is being replaced.* Further, the new MRI has a 1-year service warranty, which allows the service agreement commencement date and associated costs to be deferred until the second year of the project.

*The comparison of the 2011 capital lease for the current MRI unit and the capital lease for the proposed Optima MRI unit is somewhat inapposite because the 2011 capital lease is for a 60-month term, whereas the new Optima MRI capital lease will be for an 84-month term. Regardless, the monthly expense to Applicant is less with the new lease.

The 1,396 square foot MRI suite will be located in a new Class A medical office building located in the newest and most prestigious medical office park in Applicant's service area. The medical office building has state of the art systems, exceptional accessibility and noted market presence, all of which are necessary for Applicant to provide the most integrated orthopedic services to Applicant's patients. The composite rent (which includes base rent, common area maintenance, and build-out/MRI shielding costs) is fair market value for the location and quality of the space.

Applicant's proposed MRI relocation and upgrade project is less costly on a per/square foot basis than a virtually identical project proposed in Montgomery County by Premier Medical Group, P.C. (CN1505-016). Premier Medical Group's MRI relocation and upgrade project is \$190/square foot more costly than this Wilson County project proposed by Applicant, calculated as follows: \$2,064,060 estimated project cost (excluding filing fee), divided by 1,055 gross square feet for the MRI suite, equals \$1,956 cost per square foot. By comparison, Applicant's cost per square foot is \$1,766, which is \$190 less per square foot than the project proposal by Premier Medical Group.

In addition to providing MRI services from the new location, Applicant is upgrading the existing MRI to a new unit leased from GE Healthcare, pursuant to which GE Healthcare is (i) delivering and installing the new unit, and (ii) de-installing and returning the old leased unit, as part of the new lease agreement. In the absence of a newly leased MRI unit, Applicant would be required to pay the cost of relocating the old unit to the new location. However, as part of the new lease agreement, GE Healthcare is paying both the cost of installing the new MRI unit and the cost of removing and returning the old MRI unit, resulting in a reduction in the overall project costs.

4. Complete Historical and Projected Data Charts on the following two pages--**Do not modify the Charts provided or submit Chart substitutions!** Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

RESPONSE:

See the Historical Data Chart and Projected Data Chart on the following pages.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

RESPONSE:

Gross charges are calculated at an average gross charge per MRI procedure of \$1,529.76. The average deduction from operating revenue is \$1,204.71 per MRI procedure. The average net charge per MRI procedure is \$325.05.

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in **JANUARY** (Month).

	Year 2012	Year 2013	Year 2014
A. Utilization Data (Specify unit of measure)	CPT Code	CPT Code	CPT Code
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	1,972,389	1,805,657	1,390,556
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$1,972,389	\$1,805,657	\$1,390,556
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$1,426,240	\$1,351,253	\$1,095,084
NET OPERATING REVENUE	\$546,149	\$454,404	\$295,472
D. Operating Expenses			
1. Salaries and Wages	\$134,122	\$121,912	\$63,411
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	4,756	3,149	\$4,479
4. Taxes (Payroll Taxes)	11,101	9,211	5,116
5. Depreciation	_____	_____	_____
6. Rent	58,141	24,926	51,833
7. Interest, other than Capital	_____	_____	_____
8. Management Fees:			
a. Fees to Affiliates	_____	_____	_____
b. Fees to Non-Affiliates	_____	_____	_____
9. Other Expenses (Specify) All Other, MRI Lease, Utilities	228,641	278,471	281,540
Total Operating Expenses	\$436,761	\$437,669	\$406,379
E. Other Revenue (Expenses) – Net (Specify)	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$109,388	\$16,735	\$(110,907)
F. Capital Expenditures			
1. Retirement of Principal	\$ _____	\$ _____	\$ _____
2. Interest	_____	_____	_____
Total Capital Expenditures	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	<u>\$109,388</u>	<u>\$16,735</u>	<u>\$(110,907)</u>

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in **JANUARY** (Month).

	Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	CPT Code	CPT Code
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	\$2,589,891	\$3,923,846
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$2,589,891	\$3,923,846
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	_____	_____
Total Deductions	\$2,039,579	\$3,090,089
NET OPERATING REVENUE	\$550,312	\$833,757
D. Operating Expenses		
1. Salaries and Wages	\$53,040	\$53,040
2. Physician's Salaries and Wages	_____	_____
3. Supplies	8,342	12,639
4. Taxes	6,400	6,400
5. Depreciation	_____	_____
6. Rent	32,102	32,102
7. Interest, other than Capital (Build-out loan)	25,441	25,441
8. Management Fees:		
a. Fees to Affiliates	_____	_____
b. Fees to Non-Affiliates	_____	_____
9. Other Expenses (Specify) MRI Lease, Utilities, etc.	104,251	283,051
Total Operating Expenses	\$229,576	\$412,673
E. Other Revenue (Expenses) -- Net (Specify)	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$320,736	\$421,084
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	<u>\$320,736</u>	<u>\$421,084</u>

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE:

Applicant's current charge schedules for MRI services are set forth on Attachment "Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 6.A." Subject to contractual adjustments that may be required from third party payers from time to time, as well as market adjustments, Applicant anticipates the proposed charge schedule to be in effect in the new location as of February 1, 2016. Anticipated revenues from MRI services are expected to increase over time as Applicant employs additional physician and non-physician providers, as patient census increases due to the new conveniently located medical office, and with increased referrals from primary care providers (due both to the new convenient location and the enhanced quality and comfort of the new Optima MRI). The relocation and upgrade of Applicant's MRI is not expected to impact patient charges.

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

Applicant proposes to retain its current charge schedule for MRI services in effect for the two years following the project completion.

Applicant's average MRI procedure charge in 2014 is less than the three other Wilson County MRI providers. As reported in the HSDA MRI Utilization Report as of 8/10/15, Wilson County MRI provider average procedure charges in 2014 were as follows:

<u>Provider</u>	<u>2014 MRI Procedures</u>	<u>2014 Gross Charges</u>	<u>2014 Average MRI Procedure Charge</u>
Tennessee Orthopedics, P.C.	909	\$1,390,556*	\$1,529.76
Premier Radiology Mt. Juliet	3191	\$6,017,892.00	\$1,885.90
Tennessee Sports Medicine	1501	\$2,851,900.00	\$1,900.00
University Medical Center	2472	\$13,918,707.00	\$5,630.54

*The 2014 MRI procedure and gross charge data is extracted from the MRI Utilization Report, as of 8/10/15, published by the Health Services and Development Agency. This report incorrectly underreports Applicant's 2014 gross charges as \$31,766. The correct gross charge of \$1,390,556 listed above is reported on the Historical Data Chart above.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE:

The utilization rates for Applicant's MRI services following the relocation and upgrade are projected to surpass current utilization based upon an expansion of the number of providers employed by the practice, and a projected increase in patient census that will correspond both to the additional providers as well as environmental and community factors discussed in paragraph 6-Need above. The increased increase in MRI utilization will in turn result in lower operating costs per scan. Applicant's current MRI services are already cost-effective and efficacious, as demonstrated in the Average MRI Procedure Charge immediately above, and are projected to be more cost-effective and efficacious with the increased utilization.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE:

As exhibited on the Projected Data Chart, Applicant expects the MRI services to be financially viable and to not incur financial losses. Current financial losses are attributable to the decreased MRI utilization caused by the organizational restructuring that occurred in November 2013 and the associated loss of four of six ordering providers. Applicant is re-growing the practice, and is adding a physician provider effective September 1, 2016 and another physician provider no later than June 1, 2017.

Furthermore, because the project costs associated with relocating and upgrading the MRI unit are rolled into the overall construction costs for the new office building, the MRI relocation/upgrade benefits from economies of scale and enjoys a lower project cost than if the relocation/upgrade were done as an individual project.

Regardless, Applicant's practice location is changing effective February 1, 2016 and the MRI must be relocated. Upgrading the MRI services benefits Applicant's patients because the new state-of-the-art unit operates more efficiently than the existing old unit.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE:

Applicant will continue to be a significant provider of services to patients who are insured under the federal and state health care programs, who are not insured, and who are medically indigent. Applicant anticipates that the percentage of patients insured through the federal and state health care programs will increase as the population ages. Similarly, the percentage of TennCare/Medicaid and Indigent/Charity services offered will fluctuate with economic indicators such as recessions and unemployment. Applicant expects to continue to serve the medical needs of these patient populations as necessary to meet their medical and health needs. Currently, Applicant's payer mix for these patient populations is as follows.

Payment Source	Payer Mix Percentage	2016 Projected MRI Gross Revenues	Total 2016 Projected MRI Gross Revenues by Federal Payer and Indigent/Charity Care
Medicare	20%	\$1,633,500	\$326,700
TennCare/Medicaid	18%	\$1,633,500	\$294,030
Indigent/Charity Care	10%	\$1,633,500	\$163,350

In addition to providing indigent and charity care, Applicant's providers dedicate a significant amount of time volunteering their services to local high schools and free clinics, none of which is reflected in the "Indigent/Charity Care" category listed in the chart above. The \$163,300 projected 2016 Indigent/Charity Care noted above only includes patients who were registered in the ordinary course as patients of the practice and seen without the expectation of payment because of their financial status.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent 2014 financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE:

Applicant does not receive audited financial statements. In lieu of same, please see Applicant's 2014 year-end financial statements and Applicant's 2015 year-to-date financial statements as of August 31, attached as Attachment "Section C – General Criteria for Certificate - Economic Feasibility – Item # 10."

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
 - a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE:

There is no alternative to relocating the MRI because the leasehold space in which it is currently located is being terminated effective February 1, 2016. Applicant is relocating its entire medical practice, including the MRI services.

The alternative to upgrading the MRI is simply relocating the existing MRI unit. However, the enhanced diagnostic capabilities and increased efficiencies of the new state-of-the-art MRI unit provide more efficacious medical services for Applicant's patients.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

RESPONSE:

Because Applicant is relocating the MRI unit to newly constructed space that will house all of Applicant's medical practice (to include diagnostic imaging and rehabilitative services), it is most efficacious for Applicant to also locate Applicant's MRI services in the new space. Applicant's patients will be able to continue receiving MRI services in the same location where they receive medical examination, x-ray, rehabilitation and other patient services that Applicant may provide. Relocating the MRI into the same space as the rest of Applicant's clinical practice negates patients having to travel to multiple locations for their health services. Such same-site health services is particularly important to Applicant's orthopedic patients who typically have constraints on their mobility and ambulation, including their ability to get into and out of an automobile with ease.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

RESPONSE:

- A. Applicant has a contractual agreement with Advanced Diagnostic Imaging, P.C. for the interpretation of MRI scans. This agreement is attached as Attachment "Section C – General Criteria for Certificate of Need - Contribution to the Orderly Development of Health Care - Item # 1.A."
- B. Applicant's physician providers regularly provide emergency on-call services for the following area hospitals:
- Wilson County: University Medical Center, Lebanon; Mt. Juliet Outpatient Surgery Center
 - Sumner County: Sumner Regional Medical Center, Gallatin
 - Macon County: Macon County General Hospital, LaFayette
 - Smith County: Riverview Regional Medical Center, Carthage
 - Trousdale County: Trousdale Medical Center, Hartsville (no surgeries)
 - Davidson County: Tri-Star Summit Medical Center, Hermitage
- C. Applicant's physician providers are on the active medical staffs of the above-listed community hospitals, performing uncompensated committee or other functions as requested.

D. Applicant's physician providers regularly visit the following area nursing homes to provide medical services to the residents:

- **Wilson County:** Lebanon Health Care & Rehabilitation Center; Quality Care Health Center, Lebanon; The Pavilion Rehabilitation and Long Term Care Center, Lebanon
- **Macon County:** Knollwood Manor, LaFayette; The White House Assisted Living, LaFayette
- **Smith County:** Kindred Nursing & Rehabilitation Center, Carthage.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

RESPONSE:

Applicant seeks to relocate an existing "physicians office" MRI unit from its existing location to Applicant's newly constructed medical office building, approximately four miles away; maintaining the status quo of MRI availability in Wilson County. There is no duplication of MRI services because the MRI unit is already approved and included in the Wilson County MRI inventory. For the same reason, the relocated MRI does not increase or otherwise adversely affect competition.

The MRI relocation is expected to have a meaningful and substantial positive impact on the delivery of health care services in Wilson County. The new location is a modern medical office in which all clinical services offered by Applicant's medical practice (e.g., medical examination and treatment, x-ray, MRI, rehabilitative services) are available to Applicant's patients in the same location, thus making it easier for Applicant's patients who suffer ambulation and mobility difficulties to access the health services and decreasing commuting time.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

RESPONSE:

Applicant's current MRI is staffed with a single certified MRI technologist who typically works 30 hours per week at an hourly rate of \$34/hour. Annualized, this is approximately \$53,040 annual wage. According to www.indeed.com, the prevailing wage for a full-time MRI technologist in Lebanon, Tennessee is \$68,000 annually. If Applicant's MRI technologist worked a standard full-time 40-hour workweek, she would earn an annual salary of \$70,720. Thus, Applicant's MRI technologist is paid a competitive wage. Applicant does not anticipate increasing or decreasing MRI staffing after the February 1, 2016 relocation and upgrade.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate physician's staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

RESPONSE:

Staffing requirements for Applicant's MRI unit that operates Monday through Thursday, and Friday as needed, is one certified MRI technologist, who is currently employed with Applicant and will relocate employment to the new office building. To the extent that Applicant needs to replace this position in the future, Lebanon is a sophisticated health care community with a ready supply of trained and competent providers, including trained MRI technologist.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

RESPONSE:

Applicant has reviewed and understands all applicable licensing certification as required by the State of Tennessee for the operation of MRI services.

5. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.)

RESPONSE:

Applicant participates in shadowing programs with students who express interest in the health care professions. Applicant also participates in the physician assistant clinical training program at Trevecca University and the nurse practitioner clinical training program at Vanderbilt University.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

RESPONSE:

Applicant has reviewed and understands the applicable licensure and Medicare requirements for MRI services.

- (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

RESPONSE:

Applicant's providers who order MRI services are licensed by their respective health care licensing boards. Applicant's MRI technologist who performs the scans is certified by the applicable certification organization. No other licensure, certification or accreditation is required for the delivery of MRI services. However, Applicant intends to seek voluntary accreditation for its MRI services as an expression of Applicant's commitment to clinical excellence.

- (c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

RESPONSE:

Not Applicable (N/A). Applicant does not require licensure, certification or accreditation with any government agency.

- (d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

RESPONSE:

Not Applicable (N/A). Applicant is not required to undergo licensure certifications or inspections. None of Applicant's individual providers who are enrolled as Medicare and TennCare suppliers have been the subject of any adverse actions or exclusions.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against physician's licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

RESPONSE:

None.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

RESPONSE:

None.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

RESPONSE:

Applicant will continue to provide the Tennessee Health Services and Development Agency, and any other state agency as required, with the utilization data described in this question.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

RESPONSE: See Proof of Publication on the following page.

CLASSIFIEDS

PLACING A CLASSIFIED AD: Classified ads obtained in person, by phone or email from Monday to Friday, 9:00 a.m. to 4:30 p.m.
Email: classifieds@wilsonpost.com
Call: 615-452-4940

PUBLIC NOTICE

NOTICE TO CREDITORS ESTATE OF JAMES MICHAEL WHITE CASE NO. 15PR0309

Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of James Michael White, deceased, who died on May 31, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

CINDY L. WHITE
PERSONAL REPRESENTATIVE
ESTATE OF JAMES MICHAEL WHITE
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
J. STEPHEN BROWN
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-1-15

NOTICE TO CREDITORS ESTATE OF CLAYTON RAY DOWNS CASE NO. 15PR0307

Notice is hereby given that on the 17th day of September, 2015, Letters Testamentary, in respect to the estate of Clayton Ray Downs, deceased, who died on September 5, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

JOANN TAYLOR
PERSONAL REPRESENTATIVE
ESTATE OF CLAYTON RAY DOWNS
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
J. STEPHEN BROWN
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-1-15

NOTICE OF SUBSTITUTE TRUSTEES SALE
WHEREAS, default has occurred in the performance of the covenants, terms and conditions of a Deed of Trust dated August 24, 1998, executed by DAVID M. MELLINGER, conveying certain real property herein described to ARNOLD M. WEISS, ATTORNEY, as Trustee, an entire appears of record in the Register's Office of Wilson County, Tennessee, recorded September 1, 1998, in Deed Book 713, Page 822; and WHEREAS, the beneficial interest of said Deed of Trust was last transferred and assigned to BANK OF AMERICA, N.A. who is now the owner of said debt; and WHEREAS, the undersigned Robin Lubin, TN, PLLC, having been appointed as Substitute Trustee by instrument filed for record in the Register's Office of Wilson County, Tennessee, NOW, THEREFORE, notice is hereby given that the entire indebtedness has been declared due and payable, and that the undersigned, Robin Lubin, TN, PLLC, as Substitute Trustee or its duly appointed agent, by virtue of the power, duty and authority vested and imposed upon said Substitute Trustee, will, on October 22, 2015 at 1:00 PM at the First Floor of the Wilson County Courthouse, proceed to sell at public auction to the highest and best bidder for cash or certified funds only, the following described property situated in Wilson County, Tennessee, to wit: BEING LOT NO. 17 ON THE PLAN OF VILLAGES AT CEDAR CREEK, SECTION 14, AS OF RECORD IN PLAT BOOK 18, PAGE 244, REGISTERS OFFICE FOR WILSON COUNTY, TENNESSEE, TO WHICH PLAT REFERENCE IS HEREBY MADE, FOR A MORE COMPLETE AND ACCURATE DESCRIPTION, Parcel ID: 031M140002 PROPERTY ADDRESS: The street address of the property is believed to be 1219 CEDARBEND DRIVE, MOUNT JULIET, TN 37122. In the event of any discrepancy between this advertisement and the legal description of the property, the legal description contained in the instrument of conveyance shall control. CURRENT OWNER(S): DAVID M. MELLINGER OTHER INTERESTED PARTIES: The sale of the above-described property shall be subject to all matters shown on any recorded plat, any prior liens, any restrictive covenants, easements or other claims that may be applicable, any prior liens or

encumbrances as well as any priority created by a future filing, and to any matter that an accurate survey of the premises might disclose. This property is being sold with the express reservation that it is subject to confirmation by the lender or Substituted Trustee. This sale may be rescinded at any time. The right is reserved to assign any part of the sale to another day, time, and place without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, homestead, and dower are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substituted Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including fitness for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Robin Lubin, TN, PLLC, Substitute Trustee 119 S. Main Street, Suite 500 Memphis, TN 38103 www.rlbtlaw.com. (404) 601-5846 Ad #88800: 2015-09-25, 2015-10-02, 2015-10-09

NOTICE TO CREDITORS ESTATE OF HARLOW N. SAYLORS CASE NO. 15PR0300

Notice is hereby given that on the 21st day of September, 2015, Letters Testamentary, in respect to the estate of HARLOW N. SAYLORS, deceased, who died August 8, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 21st day of September, 2015. JUDY ELIZABETH KELLEY SAYLORS
PERSONAL REPRESENTATIVE
ESTATE OF HARLOW N. SAYLORS
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGELIC ANE
ATTORNEY
WILSON POST
Date to run September 21, 2015 October 2, 2015

NOTICE TO CREDITORS ESTATE OF PAUL W. CURRY CASE NO. 15PR0288

Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of Paul W. Curry, deceased, who died on July 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF PAUL W. CURRY CASE NO. 15PR0288

Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of PAUL W. CURRY, deceased, who died on July 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF MURIEL E. JOHNSON CASE NO. 15PR0327

Notice is hereby given that on the 24th day of August, 2015, Letters Testamentary, in respect to the estate of MURIEL E. JOHNSON, deceased, who died July 28, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 24th day of August, 2015. KAREN M. VAN HOOK
PERSONAL REPRESENTATIVE
ESTATE OF MURIEL E. JOHNSON
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGELIC ANE
ATTORNEY
WILSON POST
Date to run 9-25-15 and 10-1-15

first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 24th day of August, 2015. Public 1. Ditch
PERSONAL REPRESENTATIVE
ESTATE OF MURIEL E. JOHNSON
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGELIC ANE
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-1-15

NOTICE TO CREDITORS ESTATE OF BETTY JOYCE BLACKBURN CASE NO. 15PR0312

Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of BETTY JOYCE BLACKBURN, deceased, who died October 1, 2014, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 23rd day of September, 2015. Cheryl Culp and Lynda Blackburn Howard
PERSONAL REPRESENTATIVE
ESTATE OF BETTY JOYCE BLACKBURN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGELIC ANE
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-1-15

NOTICE TO CREDITORS
ESTATE OF HELEN MARIE VAN HOOK
CASE NO. 15PR0319
Notice is hereby given that on the 30th day of September, 2015, Letters Testamentary, in respect to the estate of Helen Marie Van Hook, deceased, who died on September 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF HELEN MARIE VAN HOOK CASE NO. 15PR0319

Notice is hereby given that on the 30th day of September, 2015, Letters Testamentary, in respect to the estate of Helen Marie Van Hook, deceased, who died on September 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF HELEN MARIE VAN HOOK CASE NO. 15PR0319

Notice is hereby given that on the 30th day of September, 2015, Letters Testamentary, in respect to the estate of HELEN MARIE VAN HOOK, deceased, who died on September 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF JOE E. WARDEN CASE NO. 15PR0302

Notice is hereby given that on the 26th day of September, 2015, Letters Testamentary, in respect to the estate of JOE E. WARDEN, deceased, who died August 22, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 26th day of September, 2015. REGGY CAMP
PERSONAL REPRESENTATIVE
ESTATE OF JOE E. WARDEN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGELIC ANE
ATTORNEY
WILSON POST
Date to run October 2, 2015 October 9, 2015

DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
BARBARA MCGINNIS
ATTORNEY
Newspaper Wilson Post
Date to run 10/2/15 10/9/15

NOTICE TO CREDITORS ESTATE OF HILDA B. BASS CASE NO. 15PR0330

Notice is hereby given that on the 28th day of September, 2015, Letters of Administration, C.T.A., in respect to the estate of Hilda B. Bass, deceased, who died on May 30, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF HILDA B. BASS CASE NO. 15PR0330

Notice is hereby given that on the 28th day of September, 2015, Letters Testamentary, in respect to the estate of JOHNA TRICE, deceased, who died on September 4, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF JOHNA TRICE CASE NO. 15PR0331

Notice is hereby given that on the 28th day of September, 2015, Letters Testamentary, in respect to the estate of TROY B. HALL, JR., deceased, who died September 10, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

NOTICE TO CREDITORS ESTATE OF TROY B. HALL, JR. CASE NO. 15PR0330

Notice is hereby given that on the 25th day of September, 2015, Letters Testamentary, in respect to the estate of TROY B. HALL, JR., deceased, who died September 10, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 25th day of September, 2015. RAYMOND STRAT
PERSONAL REPRESENTATIVE
ESTATE OF TROY B. HALL, JR.
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
MICHAEL W. FERRELL
ATTORNEY
WILSON POST
Date to run October 2, 2015 October 9, 2015

NOTICE TO CREDITORS ESTATE OF DOROTHY E. JORDAN CASE NO. 15PR0334

Notice is hereby given that on the 24th day of September, 2015, Letters Testamentary, in respect to the estate of DOROTHY E. JORDAN, deceased, who died August 17, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the date prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication of this notice if the creditor received an actual copy of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This the 24th day of September, 2015. TERESA A. COLE
PERSONAL REPRESENTATIVE
ESTATE OF DOROTHY E. JORDAN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
YANCY BELCHER
ATTORNEY
WILSON POST
Date to run October 2, 2015 October 9, 2015

NOTICE TO CREDITORS

The Lebanon Special School District is requesting bids for Gutter Replacement at the Byars Dowdy Elementary and Coles Ferry Elementary. These bids are not sealed and due October 19, 2015 at 1:00 p.m. in the Central Office at 701 Coles Ferry Pike, Lebanon, TN 37087.
Specs: Can be picked up or e-mailed M-F 8:00 a.m. - 4:00 p.m.
ATTN: richard.anderson@lssd.org or trish.westmoreland@lssd.org

PUBLIC NOTICE

In reference to Ordinance No. 15-5039, notice is hereby given that the Mayor and City Council of the City of Lebanon, Tennessee, will hold a public hearing at 5:55 PM on October 20, 2015, in the Council Chambers for the purpose of discussing and hearing comments from the citizens on the proposed amendment of Title 14 Chapter 6 Section 602 (CG-Commercial General) and Table 6.1 of the Lebanon Municipal Zoning Code to match the old B-4 lot requirements. The public hearing for the proposed amendment is being conducted pursuant to the laws of the State of Tennessee Code Annotated and the City of Lebanon, Tennessee. Copies of the proposed amendment are available for inspection at the following locations: City of Lebanon Mayor's Office, Engineering Office and Planning Office at 200 North Castle Heights Avenue. Questions can be addressed to Paul Corder at 444-3647 x2321. The public is welcome to attend.

Individuals needing auxiliary aids for effective communication and/or other reasonable accommodation in programs and services of the City of Lebanon are invited to make their needs and preferences known to the ADA Compliance Coordinator by calling 443-2809.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: Tennessee Orthopedics, P.C., Professional Private Practice owned by: Roy C. Terry, M.D., with an ownership type of Professional Corporation and to be managed by: Tennessee Orthopedics, P.C., intends to file an application for a Certificate of Need for: Relocation of existing CON for MRI from current location to new leased location at 101 Physicians Way, Lebanon, TN 37090. MRI equipment under existing CON to be replaced with new MRI equipment at new location. Total estimated project cost is \$2,471,197.43. The anticipated date of filing the application is: October 6, 2015. The contact person for this project is Christi D. Griffin, Esq. Counsel to Applicant who may be reached at: Griffin Law Office 113 E. Main Street Lebanon TN 37087 (615) 668-0462. Upon written request by interested parties, a local Post-Finding public hearing shall be conducted. Written requests for hearing should be sent to: Health Services and Development Agency, Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.

RESPONSE:

See Project Completion Forecast Chart on next page.

2. *If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.*

RESPONSE:

Not Applicable (N/A). The project is expected to be completed with the period of validity as defined above.

Form HF0004
Revised 02/01/06
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date as published in T.C.A. § 68-11-1609(c):

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	- 0 -	Completed
2. Construction documents approved by the Tennessee Department of Health	N/A	N/A
3. Construction contract signed	- 0 -	Completed
4. Building permit signed	- 0 -	Completed
5. Site preparation completed	- 0 -	Completed
6. Building construction commenced	- 0 -	Underway
7. Construction 40% complete		Completed
8. Construction 80% complete		11/15/15
9. Construction 100% complete (approved for occupancy)		1/15/16
10. *Issuance of license	N/A	N/A
11. *Initiation of service	Services currently being provided; Seeking MRI relocation only	2/1/16
12. Final Architectural Certification of Payment		2/1/16
13. Final Project Report Form (HF0055)		

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF WILSON

ROY C. TERRY, M.D., being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68- 11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.


SIGNATURE/TITLE

Sworn to and subscribed before me this 5th day of October, 2015 a Notary
(Month) (Year)

Public in and for the County/State of Wilson / Tennessee.




NOTARY PUBLIC

My commission expires 06/18 2018
(Month/Day) (Year)

SECTION A – APPLICANT PROFILE – ITEM # 3
(Certificate of Corporate Existence/Corporate Charter)



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

CHRISTI GRIFFIN
113 EAST MAIN STREET
GRIFFIN LAW OFFICE
LEBANON, TN 37122

September 28, 2015

Request Type: Certificate of Existence/Authorization
Request #: 0176532

Issuance Date: 09/28/2015
Copies Requested: 1

Document Receipt

Receipt #: 002250529

Filing Fee: \$22.25

Payment-Credit Card - State Payment Center - CC #: 164993466

\$22.25

Regarding: TENNESSEE ORTHOPEDICS, P.C.

Filing Type: For-profit Corporation - Domestic

Formation/Qualification Date: 04/28/2003

Status: Active

Duration Term: Perpetual

Business County: WILSON COUNTY

Control #: 445937

Date Formed: 04/28/2003

Formation Locale: TENNESSEE

Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

TENNESSEE ORTHOPEDICS, P.C.

* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has filed the most recent annual report required with this office;

* has appointed a registered agent and registered office in this State;

* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 013775321

Secretary of State

Division of Business Services

312 Eighth Avenue North

1 Floor, William R. Snodgrass Tower

Nashville, Tennessee 37243

DATE: 04/29/03

REQUEST NUMBER: 4802-0553

TELEPHONE CONTACT: (615) 741-2286

FILE DATE/TIME: 04/28/03 0851

EFFECTIVE DATE/TIME: 04/28/03 0851

CONTROL NUMBER: 0445937

TO:
TENNESSEE ORTHOPEDICS, P.C.
1616 WEST MAIN ST

LEBANON, TN 37087

RE:
TENNESSEE ORTHOPEDICS, P.C.
CHARTER - FOR PROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

BK/PG:980/1474-1480

03192695

7 PGS: 1 AL - CHARTER	
MISTY BATCH: 9051	
08/28/2003 - 11:35 PM	
VALUE	3.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	4.00
DP FEE	3.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	8.00

STATE OF TENNESSEE, WILSON COUNTY

JOHN B SPICKARD

REGISTER OF DEEDS

FOR: CHARTER - FOR PROFIT

ON DATE: 04/28/03

FROM:
TENNESSEE ORTHOPEDICS, P.C.
1616 WEST MAIN ST

LEBANON, TN 37087-0000

RECEIVED: FEES \$100.00 \$0.00

TOTAL PAYMENT RECEIVED: \$100.00

RECEIPT NUMBER: 00003269656
ACCOUNT NUMBER: 00424118



SS-4458

Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

4434002 10'5'34

STATE OF TENNESSEE

CHARTER

OF

TENNESSEE ORTHOPEDICS, P.C.

RECEIVED
STATE OF TENNESSEE
03 APR 28 AM 8:51
RILEY DARNELL
SECRETARY OF STATE

FILED

Pursuant to the provisions of Section 48-20-117 of the Tennessee Business Corporation Act, the undersigned natural person hereby adopts the following charter for such corporation:

1. The name of the corporation is TENNESSEE ORTHOPEDICS, P.C.
2. The corporation is a Tennessee professional corporation and is perpetual.
3. The principal address of the corporation's registered office in Tennessee is:
1616 West Main Street
Lebanon, Tennessee 37087
Wilson County, Tennessee
The mailing address of the corporation's registered office in Tennessee is:
1616 West Main Street
Lebanon, Tennessee 37087
Wilson County, Tennessee
The name of the initial registered agent, to be located at this physical address is:
Stephen M. Neely
4. The name and address of each initial incorporator is: Stephen M. Neely

169 Powell Grove Road
 Lebanon, Tennessee 37090
 Wilson County, Tennessee

5. The corporation is a professional corporation and the purpose or purposes for this corporation are to render professional medical services and services ancillary to professional medical services. However, the purpose shall not be limited to only such services, but shall allow all other lawful business related thereto or necessary for the operation of the business.
6. The maximum number of shares which the corporation shall have the authority to issue is one hundred thousand (100,000) shares without par value. There shall be one class of shares.
7. The corporation will not commence business until consideration of one thousand dollars (\$1,000) has been received for the issuance of shares.
8. The corporation shall have the power:
 - (a) To have succession by its corporate name;
 - (b) To sue and be sued, complain and defend in its corporate name;
 - (c) To acquire, hold, deal in and dispose of property of all kinds of any interest therein;
 - (d) To accept gifts, devises and bequests subject to any conditions or limitations contained in such gift, devise and bequest as long as such

conditions or limitations are not contrary to the provisions of Chapters 1 through 14 of this title or to the purposes for which such corporation are organized;

- (e) To establish bylaws and make all rules and regulations not inconsistent with the law or the constitution of this state or the United States which may be deemed expedient for the management of corporate affairs;
- (f) To elect or appoint officers, employees and other agents of the corporation, define their duties and fix their compensation and the compensation of directors;
- (g) To make contracts, to incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations and secure any of its obligations by mortgage, pledge or otherwise;
- (h) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer or otherwise dispose of mortgage, pledge, use, and otherwise deal in and with bonds and other obligations, shares or other securities or interest issued by others, whether engaged in similar or different business activities, government or other activities;

- (i) To conduct its business or affairs, carry on its operations and have offices and exercise the powers granted by Chapters 1 through 14 of this title anywhere;
- (j) To make donations for the public welfare or for charitable, scientific, religious or educational purposes, provided, however, that corporations for profit may make such donations only out of earned surplus and shall charge such donations to operating expenses; and further provided, this power shall be granted to corporations chartered by special legislative acts prior to the Constitution of 1870, except in the case of a corporation with a special legislative charter which contains provisions forbidding or limiting the exercise of the power herein granted;
- (k) To procure for its benefit insurance on the life of an employee, including any officer, whose death might cause financial loss to the corporation, and to this end the corporation is deemed to have an insurable interest in its employees and officers; if a corporation for profit, to pay pensions and establish and carry out pension plans, stock option plans, and other incentive plans for any or all of its directors, officers and employees;

- (l) To enter into any partnership with others or union of interest with respect to any transaction, operation, or venture with others;
 - (m) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.
9. No director of the corporation shall be personally liable for monetary damages as such to the corporation or its shareholders for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or it's shareholder's, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) under Section 48-18-304 of the Tennessee Business Corporation Act as amended. If the Tennessee Business Corporation Act is amended or interpreted to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of each director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Business Corporation Act, as amended or reinterpreted.
10. The corporation's fiscal year closing month is December.
11. The corporation is for profit.

12. This corporation is to become effective April 24, 2003.

DATED: April 24, 2003

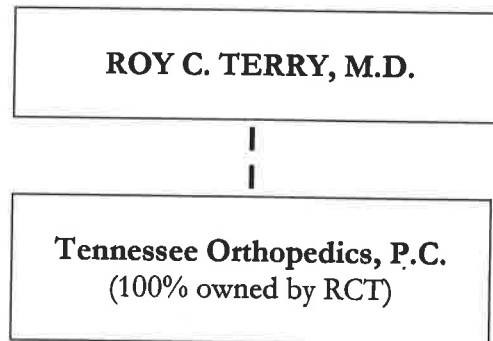

STEPHEN M. NEELY, INCORPORATOR

SECTION A – APPLICANT PROFILE – ITEM # 4
(Ownership Structure)

REQUEST: For Section A, Item 4, Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% or more ownership interest. In addition, please document the financial interest of the applicant, and the applicant's parent company/owner in any other health care institution as defined in Tennessee Code Annotated, §68-11-1602 in Tennessee. At a minimum, please provide the name, address, current status of licensure/certification, and percentage of ownership for each health care institution identified.

RESPONSE: Tennessee Orthopedics, P.C. is a professional corporation. Roy C. Terry, M.D. is the sole shareholder. Tennessee Orthopedics does not have any subsidiary, parent or affiliated entities. Dr. Terry does not have a financial interest in any health care institution. The organizational chart is as follows:

TENNESSEE ORTHOPEDICS, P.C.
ORGANIZATIONAL CHART



SECTION A – APPLICANT PROFILE – ITEM # 6
(PMOB Lease Agreement)

LEASE AGREEMENT SUMMARY PAGE

Effective Date of Lease: February 1, 2016

Landlord: Phoenix Medical Office Building, LLC

Building Name: Phoenix Medical Office Building, LLC
Address: 101 Physicians Way
Lebanon, TN 37087

Landlord Address: 100 Physicians Way, Ste. 100
Lebanon, TN 37087

Tenant: Tennessee Orthopedics, PC (MRI)
Leased Premises: PMOB, Suite No. 200

Address for Remitting Rent Payments:
101 Physicians Way, Ste. 100
Lebanon, TN 37087

Lease Commencement Date: February 1, 2016
Lease Termination Date: February 1, 2024
Security Deposit Paid: N/A
Annual Rent Increase: [3%]

Number of Rentable Square Feet: 1,396
Number of Useable Square Feet: 1,396
Tenant's Pro Rata Share of Rentable Building Square
Footage: 6%

Monthly Rent Amortization Schedule: As set forth on Exhibit A

Additional Rent: Water, electricity, sewer, ventilation, gas, propane, heat, air conditioning, insurance, property taxes, maintenance and janitorial services for the Building common areas ("CAM") will be charged to Tenant as Additional Rent in proportion to Tenant's Pro Rata Share of Rentable Building Square Footage. This amount shall be determined each year and written notice of the monthly amortization of Additional Rent to be paid shall be provided to Tenant on or before the commencement of a new Lease Year. The cost of MRI suite build-out and MRI shielding will also be charged to Tenant as Additional Rent.

Expenses Paid Directly by Tenant:
(CHECK ALL THAT APPLY)

- X Separately metered utilities for the Leased Premises: utilities, heat and air, water
X Communications services, to include telephone, Internet, cable and other communications services used in the Leased Premises
X Maintenance services to keep and maintain the interior of the Leased Premises in good condition, repair and working order, to include without limitation, fixtures, doors, interior walls, flooring, and appurtenances
X Janitorial services

Leasehold Improvement Allowance: \$ XX.XX per Useable Square Foot

Improvements:

Leasehold improvement allowance:

A. First Time Standard Build-Out ☐ B. Existing Space (New Tenant or Renewal) X C. Landlord to Build Out Space (Ex. A)

The parties hereby enter into this Lease Agreement (as defined below) by and between Phoenix Medical Office Building, LLC ("Landlord") and Tennessee Orthopedics, PC ("Tenant"), effective as of the Effective Date. This Lease Agreement shall replace any and all former lease agreements between the parties, and any such former lease agreements shall be hereby terminated with no further force and effect as of 11:59 PM on the day immediately preceding the Lease Commencement Date.


This Lease Agreement is comprised of the following documents, each of which shall be attached hereto and fully incorporated into the Lease Agreement as if fully set forth therein:

(CHECK ALL THAT APPLY)

- X Lease Agreement Summary Page
X Lease Agreement Terms and Conditions
X Exhibit A - Monthly Rent Amortization Schedule
X Exhibit B - Building Rules and Regulations
X Exhibit C - Landlord Build-Out Specifications
X Exhibit D - Description of Leased Premises

Signatures:

TENANT: 
By: _____
Name: _____
Title: _____

LANDLORD: 
By: _____
Name: _____
Title: _____

LEASE AGREEMENT TERMS AND CONDITIONS

This Lease Agreement ("Lease"), effective as of the February 1, 2016, is by and between Landlord, a Tennessee limited liability company with its principal place of business at 101 Physicians Way, Suite 100, Lebanon, Tennessee 37087, and Tenant, a professional corporation company with its principal place of business at 101 Physicians Way, Suite 200, Lebanon, Tennessee 37087.

WHEREAS, Landlord owns the Phoenix Medical Office Building located at 101 Physicians Way, Lebanon, TN 37087 ("Building"), and leases office space in the Building to commercial enterprises as approved by Landlord to lease space in the Building.

WHEREAS, the Building is subject to restrictive covenants adopted by the Franklin-South Hartmann Property Owners Association, Inc. property owners association ("Covenants") that govern, in pertinent part, the types of commercial enterprises permitted to lease space in the Building.

WHEREAS, Landlord has established certain financial, commercial and other criteria for commercial enterprises wishing to lease office space in the Building ("Landlord Criteria"), and all such enterprises are subject to the Covenants and the Landlord Criteria.

WHEREAS, Tenant desires to lease office space in the Building and, based upon information provided by Tenant to Landlord, has been determined by Landlord to satisfy the Covenants and the Landlord Criteria.

WHEREAS, Landlord and Tenant wish to enter into this Lease Agreement on the terms and conditions more particularly set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and the following terms and conditions, the sufficiency of which are hereby acknowledged, the parties (defined herein as "Landlord" and "Tenant") covenant and agree as follows:

I. CAPITALIZED TERMS. Unless otherwise defined herein or in any Exhibit to this Lease Agreement, the capitalized terms defined herein shall have the same meaning ascribed to such terms in the Lease Agreement Summary Page.

II. LEASED PREMISES; AGREEMENT TO LEASE. Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, on a full-time basis, the Leased Premises for the Term hereinafter defined.

III. ASSIGNMENT; SUBLETTING. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion, sublease, license or assign all or any portion of its interest under this Lease to any other person or entity. Assignment or subletting without the prior consent of Landlord, including assignment by operation of the law, shall constitute an event of default. In no event, whether with or without consent of Landlord, shall a sublease, license or assignment of this Lease relieve Tenant of liability under the terms and conditions of this Lease. Any assignment or sublease shall be subject to the Legal Compliance provisions in Section XXI of this Agreement, and Tenant shall provide Landlord with a written and signed opinion of legal counsel setting forth that the assignment or sublease, as applicable, complies with any Fraud and Abuse Laws as defined in Section XXI. In no event may Tenant assign or sublease all of any portion of the Leased Premises at a rent that is greater than the Rent paid by Tenant hereunder. Any assignment and sublease agreements entered into pursuant to this Section are subject to the review and written approval of Landlord.

IV. RENT. In consideration of this Lease, Tenant shall pay to Landlord, on or before the first day of each calendar month ("Due Date") on and after the Commencement Date and continuing through the Term hereof, the amount of (i) Base Rent and (ii) Additional Rent as shown on the Lease Agreement Summary Page, together with any other amounts as are due and payable under this lease (Base Rent, Additional Rent and such other additional amounts collectively referred to herein as "Rent"); provided however, that in the event the Commencement date is any day other than the first day of a calendar month, then upon the Commencement Date, Tenant shall pay to Landlord a pro rata portion of the Rent for that portion of the calendar month remaining from the Commencement Date to the first day of the next calendar month.

A. During the Initial Term, the amount of the Rent shall be increased at the commencement of each Lease Year (hereinafter defined) following the first Lease Year, by the percentage amount set forth in the Lease Agreement Summary Page and as more particularly set forth in the Monthly Rent Amortization Schedule set forth therein. It is expressly understood and agreed that Landlord shall apply all Rent paid by Tenant hereunder first to the amounts due from Tenant which have been outstanding for the longest period of time. The term "Lease Year" is defined as the twelve-month period commencing on the Commencement Date, and each anniversary thereof; provided however, that if the Commencement Date is any day other than the first day of a calendar month, then the Lease Year shall be the twelve-month period commencing on the first day of the calendar month following the Commencement Date, and the first Lease Year shall include the remainder of the calendar month in which the Commencement Date occurs.

B. Tenant agrees to pay such Rent as may be owed to Landlord hereunder at the times and in the manner herein provided, without any setoff, deduction or counterclaim whatsoever except as otherwise provided in this Lease.

C. Time is of the essence in the performance of Tenant's obligations hereunder. If any Rent owed by Tenant to Landlord hereunder is not paid within ten days following the Due Date (as defined in the preamble to this Section III), Landlord may,

in its sole discretion, impose on Tenant a late charge equal to [One Hundred Fifty and No/100 Dollars (\$150.00)] and may require Tenant to pay any amounts due hereunder through an Automatic Clearing House system or other automatic payment system as Landlord may choose in Landlord's sole discretion. Such late charge is to defray the administrative costs and inconvenience and other expenses that Landlord may incur on account of such delinquency and, if imposed by Landlord, shall become due and payable from Tenant to Landlord on the next Due Date.

V. SECURITY DEPOSIT. Tenant shall deposit with Landlord a Security Deposit in the total amount set forth on the Lease Agreement Summary Page, said deposit to be paid on the date Tenant executes this Lease. The Security Deposit shall be held by Landlord without liability for interest and with the understanding that: (i) the Security Deposit or any portion thereof may be applied to the curing of any default, without prejudice to any other remedy or remedies which Landlord may have on account thereof, and upon such application, Tenant shall pay Landlord on demand the amount so applied which, when paid, shall be added to the Security Deposit so the same will be restored to its original amount; (ii) Landlord shall not be obligated to hold the Security Deposit as a separate fund, but may commingle it with other funds; and (iii) if Tenant is not in default, the remaining balance of the Security Deposit shall be returned to Tenant, without interest, within thirty days after the expiration of the Term or other termination of this Lease; provided, however, Landlord shall have the right to retain and expend such remaining balance for cleaning and repairing the Leased Premises if Tenant shall fail to deliver the Leased Premises at the termination of this Lease in a neat and clean condition and in as good a condition as existed at the date of possession of same by Tenant, except for ordinary wear and tear. Landlord shall have the right to use the Security Deposit to offset any increase in the Monthly Rent, Additional Rent or other amounts due from tenant hereunder which is either not collected by Landlord or not paid by Tenant pursuant to the terms of this Lease.

VI. LANDLORD OBLIGATIONS.

A. Common Areas. Landlord shall provide for and pay the following expenses attributable to the Building common areas, and shall charge such expenses to Tenant as Additional Rent in proportion to Tenant's Pro Rata Share of Rentable Building Square Footage, as more particularly set forth in the Lease Agreement Summary Page: Water, electricity, sewer, ventilation, gas, propane, heat, air conditioning, maintenance and janitorial services.

B. Structural Maintenance. In addition to the foregoing maintenance obligations, Landlord shall maintain, repair and replace all exterior walls and other features of the Building exterior, including but not limited to, the roof and all mechanical systems, air conditioning, heating, plumbing, wiring and piping.

C. Insurance. Landlord shall maintain fire and extended coverage insurance on the Building in which the Leased Premises are located in an amount not less than the full replacement cost of the Building; provided that Tenant shall be responsible for providing insurance on Tenant's furnishings, fixtures, medical equipment and supplies, office supplies, records and other personal property ("Personal Property") as set forth in Section VIII.

D. Taxes. Landlord shall be responsible for payment of all real estate taxes assessed against the Building or the property upon which the Building is sited, including any applicable local, state and federal income taxes which are or may be payable by Landlord by virtue of Landlord's ownership of the Building and/or property upon which the Building is sited.

E. Landlord Build Out. If subpart C under "Improvements" on the Lease Agreement Summary Page has been checked, Landlord shall be responsible for building out the Leased Premises as further described on Exhibit C, attached hereto and incorporated herein by reference. All such build out shall be conducted by Evergreen Constructors, LLC or such other builder as Landlord provides advance written approval.

F. Quiet Enjoyment. Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the Term.

VII. TENANT OBLIGATIONS.

A. Use of Leased Premises. Tenant shall use the Leased Premises for the purpose of [Orthopedic Practice] and for business purposes reasonably ancillary thereto, and for no other purpose. Tenant and its employees and agents providing services in the Leased Premises shall use and operate the Leased Premises only in accordance with all federal, state, county and local laws, regulations, ordinances and orders ("Laws") applicable to Tenant's business as described herein. In no event shall the Leased Premises or any part thereof be used for any purpose, nor shall any activity be conducted in the Leased Premises, that (i) is deemed by Landlord or its insurer to be extra-hazardous on account of fire risk, (ii) may reasonably cause a cancellation of any insurance policy covering the Building, or (iii) creates a nuisance; all in such determinations to be made in Landlord's sole discretion. Tenant will conduct its business, and control its agents, employees, and invitees in such a manner so as to not create any nuisance or interfere with, annoy or disturb other tenants or Landlord in the use, operation and management of the Building.

B. Certificate of Occupancy; Fire Inspection. Before taking occupancy of the Leased Premises, Tenant shall have obtained, and provided to Landlord, a certificate of occupancy, fire inspection, and any other approval of the city and/or county building code enforcement agencies. Any such certificates, fire inspections or other documentation required by this section shall be subject to Landlord's acceptance, which shall be in Landlord's sole reasonable discretion.

C. Delivery of Leased Premises at Lease Termination. Tenant shall deliver to Landlord, on or before the date that this Lease shall terminate, physical possession of the Leased Premises in good condition, reasonable wear and tear and damage by fire or other casualty excepted.

D. **Taxes.** Tenant shall pay directly to the taxing agencies any ad valorem or other property taxes, personal and intangible taxes payable in connection with the use, occupancy or conduct of business on any part of the Leased Premises, including but not limited to personal property, business, privilege, license, excise, sales, use and occupation taxes (but excluding taxes payable by Landlord). Tenant shall be responsible for all taxes assessed against their stock and inventory, tangible personal property or their business and/or business operations.

E. **Operating and Maintenance Expenses.** Tenant shall contract directly with, and shall pay directly, service providers necessary to provide separately metered utilities, communications services, maintenance services, and janitorial services as more particularly set forth in the Lease Agreement Summary Page.

F. **Improvements.** Tenant shall not make any structural changes, alterations, additions or improvements to the Leased Premises without the prior written consent of Landlord. Except as otherwise provided in Section VI herein, Landlord shall have no obligation to make or to pay for improvements to the Leased Premises, nor shall Landlord have any obligation or liability arising from improvements made by Tenant either with or without Landlord's consent.

G. **Medical and Pharmaceutical Waste; Hazardous Substances.** Tenant, at Tenant's sole cost and expense, shall be responsible for the management and removal of any medical and pharmaceutical waste ("Waste") or Hazardous Substances (as hereinafter defined) within and from the Leased Premises in accordance with all applicable Laws. Tenant shall not permit the mixing or disposal of any Waste or Hazardous Substances with general office waste, and Landlord shall have no duty or obligation to remove any such Waste or Hazardous Substances from the Leased Premises. Without limiting the generality of the foregoing, Tenant shall comply strictly and in all respects with the requirements of all laws applicable to Waste and Hazardous Substances, and shall indemnify Landlord and hold Landlord harmless from and against any liabilities, costs or expenses that may arise on account of the release, discharge, storage, disposal, treatment, processing or other handling or discovery of any such Waste or Hazardous Substance. As used herein, "Hazardous Substance" means any substance, material or matter that may give rise to liability under any Hazardous Waste Laws, including (but not limited to) medical waste and petroleum products or petroleum wastes. "Hazardous Waste Laws" shall mean any local, state or federal laws, rules, ordinances, regulations, and policy and guidance statements by any environmental agencies, either in existence as of the date hereof, or enacted, promulgated or issued after the date of this Lease, that concern the management, control, discharge, treatment, containment or removal of substances or materials that are or may become a threat to public health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and the Resource Conservation and Recovery Act ("RCRA").

H. **Security.** Tenant may install a security system for the Leased Premises only upon Landlord's prior written approval, which shall be at Landlord's sole discretion and upon terms and conditions solely determined by Landlord. Tenant may not provide access to the Building or Leased Premises to any person for any purpose other than to carry out Tenant's business purpose as described in this Lease.

I. **Landlord Right of Access.** Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair, to make reasonable repairs that Landlord may be required to make hereunder, and in emergency situations; provided that if Tenant's business requires Tenant to restrict Landlord's access to the Leased Premises or any part thereof, Tenant shall be readily available, through its employees or agents who are authorized to access the restricted premises, to assist Landlord in gaining access to the Lease Premises for any of the foregoing purposes. Tenant shall provide Landlord with written notice of any such restrictions and Tenant's representatives designated to provide Landlord with the necessary access as described herein.

J. **Building Rules and Regulations.** Tenant shall comply with the Building Rules and Regulations set forth in Exhibit B, as such rules and regulations may be amended from time to time in Landlord's sole determination.

K. **[Office Park] Owners' Association Bylaws and Rules and Regulations.** Tenant shall comply with any and all bylaws, and rules and regulations, of the [Office Park] Owners, copies of which shall be provided upon Tenant's request.

VIII. **INSURANCE.** Tenant shall keep and maintain at all times during the Term the following insurance coverage on the Leased Premises.

A. **Comprehensive general liability insurance** on the Leased Premises in the sum of [\$1,000,000] per occurrence and [\$2,000,000] annual aggregate insuring against liability for bodily injury and death.

B. **Property damage insurance** in the amount of [\$500,000] per occurrence insuring against liability for damage to property arising out of the maintenance or use of the Leased Premises.

C. **Casualty insurance** insuring Tenant against loss or damage to Tenant's Personal Property caused by fire and all other casualties usually covered under an "all risk" policy of casualty insurance.

D. **In addition to the foregoing,** Tenant shall maintain such additional insurance policies as are commercially reasonable for Tenant's business operations, and in such amounts as are commercially reasonable to insure Tenant against losses.

E. **The policies set forth herein shall name Landlord as an additional insured.** Each year upon the renewal of all policies required hereunder, Tenant shall furnish Landlord with a certificate of coverage listing Landlord as an additional insured and obligating the insurer to provide Landlord with thirty days' advance written notice of cancellation, termination, or other material change in the insurance policy.

F. Tenant shall not do or permit any act which will increase premiums for any general liability, property, casualty, or other insurance maintained by Landlord on the Building or any other property therein or which shall render such insurance void or voidable.

IX. TERM; RENEWAL; HOLDOVER TENANCY.

A. The term of this Agreement shall commence at 12:00 A.M. on the Commencement Date, and shall terminate at 11:59 P.M. on the Lease Termination Date ("Initial Term") or at the expiration of any Renewal Term as defined in sub-section (B) herein ("Term"). Any and all extensions of the Term must be made by written amendment duly executed by Landlord and Tenant. At the termination of this Lease or any amendment thereto, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any Personal Property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal.

B. Provided that this Lease is in full force and effect and Tenant and any sub-tenant are not in default hereunder, Tenant and any sub-tenant shall have the option to renew this Lease for two (2) successive additional terms of one (1) year each ("Renewal Term"), and under the same terms, conditions, and provisions herein for the initial Term, except for the amount of Rent. The renewal options to be effective must be exercised by Tenant and/or any sub-tenant by written notice to Landlord in the form and manner provided in Section XXV(B) no less than six (6) months prior to the commencement of the. The amount of Rent to be paid under any such Renewal Term shall be at the then-current fair market value of the Leased Premises as determined by a qualified medical office building valuation consultant designated and engaged by Landlord.

C. In the event of holding over by Tenant after the expiration of the Term or any extension thereof, the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent amount set forth in the Lease Agreement Summary Page ("Holdover Rent"), and the Lease shall be automatically extended for successive terms of one (1) year each ("Holdover Term"); provided that during any Holdover Term, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety days prior to the desired expiration date. During a Holdover Term, Tenant shall pay, in the manner as set forth in Section III herein, the Holdover Rent, the Additional Rent, and all other amounts due to Landlord hereunder.

X. DEFAULT; TERMINATION. Tenant shall be in default of the terms of this Lease if (i) Tenant shall fail to make a payment of Rent under this Lease when due, and such Rent is not paid within ten days following receipt of written notice by Landlord to Tenant of delinquency; provided, that Landlord shall not be obligated to send more than two such notices during any twelve month period, (ii) Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty days following receipt of written notice by Landlord to Tenant of such default, (iii) any petition shall be filed by or against Tenant pursuant to any section or chapter of the Bankruptcy Code of the United States, as amended (the "Bankruptcy Code") or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed under any section or chapter of the Bankruptcy Code or under any similar law or statute of the United States or any state thereof; (iv) Tenant shall become insolvent or make a transfer in favor of creditors; (v) Tenant shall make a general assignment for the benefit of its creditors; (vi) a receiver or trustee shall be appointed for Tenant or any of the assets of Tenant, or (vii) Tenant vacates the Leased Premises for more than thirty days or abandons the Leased Premises. In the event of default by Tenant for any of the foregoing reasons:

A. Upon default by Tenant, Landlord may, at Landlord's sole discretion, continue this Lease in full force and effect and shall have the right to collect Rent due and payable to Landlord under this Lease when such amounts are due, or (ii) terminate this Lease upon [120] days prior written notice to Tenant. During such period of continuation that Tenant is in default, Landlord may enter the Leased Premises with legal process and relet the Leased Premises or any part thereof to third parties for Tenant's account. Tenant shall be liable for all reasonable costs incurred by Landlord for entering and reletting the Leased Premises, including without limitation, legal fees (including attorneys' fees), broker's fees and commissions, expenses associated with repairing and/ or remodeling the Leased Premises in order to return the Leased Premises to the same condition as when it was received by Tenant from Landlord, and similar costs. Reletting of the Leased Premises may be done for a period shorter or longer than the remaining term of this Lease, and during any period that the Leased Premises is relet, Tenant shall pay to Landlord all amounts due under this Lease on the date such amounts are due, less the amount Landlord receives from any reletting. Landlord shall use commercially reasonable efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total Rent owed under this Lease for the remainder of the Term.

B. Upon default by Tenant, Landlord may, in lieu of continuing the Lease as set forth in subsection (A) herein, and in Landlord's sole discretion, terminate this Lease upon [30] days prior written notice to Tenant. Upon such termination, Landlord shall have the right to collect an amount equal to all expenses, if any (including reasonable attorneys' fees), incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated or abandoned by Tenant.

C. During any period of default hereunder, Landlord may enter upon the Leased Premises and change, alter, or modify the door locks on all entry doors of the Leased Premises, and permanently or temporarily exclude Tenant, and its agents, employees, representatives and invitees, from the Leased Premises, but only to the extent permitted by, and subject to the requirements of, applicable law in effect at the time of the event of default.

D. Should any of these remedies or any portion thereof not be permitted by the laws of the state where the Building is located, then such remedy or portion thereof shall be considered deleted and unenforceable, and the remaining remedies or

portions thereof shall be and remain in full force and effect, and Landlord may avail itself of these as well as any other remedies or damages allowed by law.

E. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity. Any entry by Landlord upon the Leased Premises may be by use of a master or duplicate key or electronic pass card or any locksmith's entry procedure or other peaceable means. No entry or taking possession of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant. In the event Landlord institutes suit against Tenant to collect any amount owed to Landlord pursuant to this Lease, Landlord shall have the right to allow such amounts to accumulate and to bring an action upon several or all of such deficiencies at one time. Any suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained herein shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants of this Lease. Forbearance by Landlord to enforce one or more of the remedies provided herein upon the occurrence of an event of default shall not be deemed or construed to constitute a waiver of any other violation or event of default.

XI. **DAMAGE OR DESTRUCTION.** If the Leased Premises shall be damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any Personal Property owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty days after the occurrence of such damage. Landlord shall notify Tenant within fifteen days of the event of casualty of its determination. Until such repairs are completed, the Monthly Rent, Additional Rent and other amounts due from Tenant under this Lease shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement if the Leased Premises are rendered unusable for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty days and Landlord nonetheless chooses to repair the Leased Premises, then Tenant may, at its option, continue as Tenant under this Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate this Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate this Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

XII. **EMINENT DOMAIN.** If the whole of the Leased Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, this Lease shall automatically terminate as of the effective date of the taking. In the event of a partial taking which does not result in a termination of this Lease, the Monthly Rent, Additional Rent and other amounts due from Tenant hereunder shall remain unaffected. Landlord may, without any obligation or liability to Tenant, stipulate with any condemning authority for a judgment of condemnation without the necessity of a formal suit or judgment of condemnation, and the date of taking under this clause shall then be deemed the date agreed to under the terms of said agreement for stipulation and this Lease shall terminate as of the stipulated date.

XIII. **SUBORDINATION, ATTORNMENMENT AND NON-DISTURBANCE.**

A. Tenant agrees that this Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant shall, upon the request of any party in interest, promptly execute such instruments or certificates as may be reasonably required to carry out the intent of this provision.

B. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any mortgage covering the Leased Premises or the Building, or in the event of termination of any lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease. Tenant agrees to execute any attornment agreement not in conflict with this provision as may be reasonably required to carry out the intent of this provision.

C. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of Monthly Rent, Additional Rent or any other amount due from Tenant pursuant to this Lease, and is not in default of the performance of any other terms, covenants or conditions of this Lease, mortgagee or such person shall not disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of this Lease notwithstanding any event or proceedings described in this section.

XIV. **ESTOPPEL CERTIFICATE.** Within thirty days after written request from Landlord, Tenant shall deliver an executed statement addressed to Landlord certifying (if such be the case) that this Lease is in full force and effect, that Tenant has commenced the payment of Monthly Rent and the Additional Rent, and that there are no defenses or offsets to this Lease claimed by Tenant, as well as any other information reasonably requested. If Tenant fails or refuses to give a certificate hereunder within the required time frame, then the information on such certificate as submitted by Landlord shall be deemed correct for all purposes and Landlord shall have the right to treat such failure or refusal as a default by Tenant.

XV. **DAMAGE TO PROPERTY/INJURY TO PERSON.** Tenant shall and hereby does indemnify and hold Landlord harmless from and against any and all claims to the extent they arise from (i) Tenant's use of the Leased Premises or the conduct of its business, (ii) any activity, work or thing done, permitted or suffered by the Tenant in or about the Leased Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, and (iv) any act of

negligence or intentional misconduct of Tenant or its agents or employees.

XVI. **LIMITATION OF LANDLORD LIABILITY.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Building and the land upon which the Building is sited, and Landlord shall not be personally liable for any deficiency. Notwithstanding anything to the contrary contained in this Lease, in the event Landlord sells, assigns, transfers or conveys its interest in such land, Landlord shall have no liability for any acts or omissions that occur after the date of said sale, assignment, transfer or conveyance, provided that any such grantee, assignee or transferee assumes all of Landlord's obligations under this Lease.

XVII. **MECHANICS' LIENS.** Nothing contained in this Lease shall authorize Tenant to do any act which shall in any way encumber the title of Landlord in and to the Leased Premises or the Building or any part thereof; and if any mechanic's or materialman's lien is filed or claimed against the Leased Premises or Building or any part thereof in connection with any work performed, materials furnished or obligation incurred by or at the request of Tenant, Tenant will promptly either (i) pay same and cause it to be released of record or (ii) contest same in good faith and, if it has not been removed within thirty days, bond around it. If the lien is not released of record (or bonded around) and default in payment thereof shall continue for thirty days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be repaid to Landlord immediately by Tenant on demand therefor.

XVIII. **ABANDONED PROPERTY.** All Personal Property of Tenant remaining in the Leased Premises after the expiration or earlier termination of the Term may be treated by Landlord as having been abandoned by Tenant, and Landlord shall have the right to remove such personal property from the Leased Premises without any obligation to deliver such personal property to Tenant and without any liability to Tenant whatsoever, it being agreed that Tenant shall have no right to reclaim such property. Provided, however, that in no event whatsoever shall Landlord have any access or rights to the confidential and proprietary information of Tenant, including without limitation, protected health information (as defined in Section XXI(E) herein), or other property that Landlord is precluded by applicable law from accessing and/or taking possession. Landlord shall have no duty to notify Tenant that Landlord may dispose of Tenant's property, except as may be required by applicable law governing items that Landlord is legally precluded from accessing and/or taking possession.

XIX. **TRANSFER OF LANDLORD'S RIGHTS.** In the event Landlord transfers its interest in the Building, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of the Landlord for the performance of such obligations, provided however, that any assignee or transferee of Landlord shall assume by written agreement all of Landlord's obligation under this Lease.

XX. **REMEASUREMENT.** The Leased Premises shall be subject to remeasurement as set forth in sub-sections A and B below. Any such remeasurement shall be substantially in accordance with the BOMA Standard, as defined in sub-section D below.

A. Landlord shall, at Landlord's cost and expense, remeasure the Leased Premises prior to Tenant taking occupancy thereof, but after the construction of the Building is complete.

B. Tenant or Landlord, at such party's own cost and expense, shall have the right to remeasure the Leased Premises and the Building from time to time (but not more than once per year) to reflect actual physical increases or decreases due to physical expansions or contractions in the rentable area of the Building.

C. In the event such remeasurement reveals a different square footage for the Leased Premises or the Building than as set forth in this Lease, the parties shall execute an amendment which revises the rentable square footage of the Leased Premises and the Tenant's Pro Rate Share of Rentable Building Square Footage shall be adjusted accordingly. In the event that the Tenant refuses to execute such amendment, then Landlord shall have the right to terminate this Lease upon thirty (30) days prior written notice to Tenant.

D. "BOMA Standard" shall mean the Building Owners and Managers Association International Standard Method for Measuring Floor Area in Office Building, ANSI Z65. 1-1996; provided, however, that notwithstanding the foregoing to the contrary, the BOMA Standard shall not include any area below the ground floor of the Building in which the Leased Premises is located, any areas outside the perimeter walls of such Building, any elevator shafts, or any stairwells.

XXI. **LEGAL COMPLIANCE.**

A. Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state and local law, including without limitation, the Anti-Kickback statute and the Stark Physician Anti-Referral statute (collectively, the "Fraud and Abuse Laws"), as amended. Notwithstanding any unanticipated effect of any of the provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Fraud and Abuse Laws. Without limiting the generality of the foregoing, Landlord and Tenant agree that nothing contained in this Lease shall require either party to refer any patients or goods and services to the other, or to any affiliate or subsidiary of the other.

B. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in material violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith for a period of up to ninety days to modify the terms of this Lease to comply with applicable law. Should the parties hereto fail to agree upon modified terms to this Lease within this time, either Landlord or Tenant may immediately terminate

this Lease by giving written notice to the other party.

C. The parties represent to the other that any amounts due to Landlord from Tenant pursuant this Lease are (i) consistent with fair market value in arms-length transactions, (ii) set in advance, and (iii) not determined in a manner that takes into account the volume or value of any referrals or other business between the parties for which payment may be made in whole or in part by a federal health care program. The parties further represent that this Lease covers all of the Leased Premises rented by the parties for the Lease Term, and that the aggregate space leased hereunder does not exceed that which is reasonably necessary to accomplish the commercially reasonable business purpose of the rental.

D. Should Tenant be in a position to refer or to potentially refer business that is reimbursable by a Federal health care program to Landlord, then Landlord and Tenant agree to submit the remuneration paid under this Agreement to a medical office building valuation consultant designated and engaged by Landlord to offer an opinion as to whether the Rent and any other remuneration that may be paid hereunder is consistent with fair market value in an arms-length transaction. Landlord and Tenant agree to amend this Agreement as necessary for the Rent paid hereunder to represent such fair market value.

E. For purposes of this Section, "protected health information" or "PHI" shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 ("Privacy Standards"), as promulgated by the Department of Health and Human Services ("DHHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Tenant agrees to reasonably safeguard PHI from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its subcontractors and agents. The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined in the Privacy Standards.

F. Both as a material condition to this Lease and as a continuing representation and warranty for the duration of this Lease, each party represents that neither it nor any of its owners, officers, directors, employees, agents, or subcontractors have been suspended, excluded, or debarred from any federal health care program, as defined under 42 U.S.C. § 1320a-7b(f), for the provision of items or services for which payment may be made under such federal health care programs ("Exclusion"). Each party further represents that it shall notify the other party of any change in the foregoing representation promptly upon acquiring knowledge of any such change, and in no event more than five days after acquiring such knowledge. Either party shall have the right to immediately terminate this Lease upon learning of any Exclusion.

XXII. **BROKERAGE.** Tenant represents to Landlord that it has not had any dealings with any broker or agent in connection with the negotiation or execution of this Lease; and Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensation or charges claimed by any other broker or agent, through commitments of Tenant with respect to this Lease. In the event Landlord elects to engage a broker or agent in connection with the negotiation or execution of this Lease, Landlord shall be solely responsible to pay any commissions or fees due and payable to such broker or agent.

XXIII. **NO PARTNERSHIP RELATIONSHIP.** Notwithstanding anything to the contrary herein, neither Landlord nor Tenant shall be construed or held to be a partner or associate of the other in the conduct of their respective businesses, it being expressly understood and agreed that the relationship between the parties is and at all times shall remain that of Landlord and Tenant.

XXIV. **GUARANTY.** The Guarantor(s) identified in the Lease Agreement Summary Page hereby jointly and severally covenant and agree to and with Landlord that if default shall at any time be made by Tenant in the payment or performance of any obligations set forth herein, when due, Guarantor(s) will forthwith pay or perform such obligation on behalf of Tenant to or for the benefit of Landlord. The guaranty provisions of this Section constitute an absolute, unconditional and irrevocable guaranty of payment (and not of collection) and performance and are a surety agreement. Guarantor(s)' liability hereunder is primary and direct and may be enforced without Landlord being required to resort to any other right, remedy or security and the terms of this Section shall be enforceable against Guarantor(s) jointly and severally, without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or any other guarantor, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance, protest, dishonor or presentment of the terms hereof or of Landlord's intention to act in reliance hereon or of any other notice or demand to which Guarantor(s) might otherwise be entitled, all of which Guarantor(s) hereby expressly waive. The terms of this Section shall be a continuing guaranty, and (whether or not Guarantor(s) shall have notice or knowledge of any of the following) the liability and obligation of Guarantor(s) hereunder shall not be released, discharged or in any way impaired by (i) any amendment or modification of, or supplement to, or extension or renewal of, this Lease; (ii) any exercise or non-exercise of any right or remedy under this Lease; (iii) any bankruptcy, insolvency, reorganization, liquidation or similar proceeding relating to Tenant (including without limitation any rejection or disaffirmance of this Lease in any such proceedings); (iv) any limitation on the liability or obligation of Tenant under this Lease or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the federal bankruptcy law or any other statute or from the decision of any court; (v) any transfer by Tenant or any assignment, mortgage or pledge of its interest under this Lease; (vi) any agreement entered into between Landlord and an assignee of Tenant or any agreement entered into between Landlord and the holder of any leasehold mortgage (or between Landlord and the nominee of any such holder of a leasehold mortgage); or (vii) any other thing which might otherwise operate to

exonerate, discharge, or reduce the liability of Guarantor(s) for the payment of any sums or the performance of any other obligations becoming due from the Tenant under this Lease.

XXV. MISCELLANEOUS.

A. **Amendment.** This Lease may only be amended in a writing duly executed by both parties.

B. **Notices.** Any notice required or permitted to be given hereunder may be given by mail and shall be sufficiently given if personally served or sent by certified mail or by special or overnight courier, addressed to the Landlord or Tenant, as applicable, at the addresses specified on the Lease Agreement Summary Page.

C. **Severability.** If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction or other governmental body to be invalid, void, or unenforceable, the remainder of the provisions of such agreement or agreements shall remain in full force and effect.

D. **Waiver.** Any act by either party that may amount to a waiver of the conditions of this Lease shall in no way constitute a future-continuing waiver of such conduct.

E. **Counterparts.** This Lease may be executed in more than one counterpart.

F. **Successors.** This Lease shall inure to the benefit of, and be binding upon the parties and their respective successors and assigns.

G. **Third Party Beneficiaries.** This Lease is entered into for the sole benefit of the parties hereto. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Lease, including, without limitation, any representative of a party.

H. **Assignment.** This Lease may not be assigned by either party without the written consent of the other party, except that this Lease may be assigned to any parent, affiliate or subsidiary company of Landlord without the approval of Tenant.

I. **Force Majeure.** Neither party shall incur any liability hereunder if the performance of its obligations is prevented by acts of God, a public enemy, earthquakes, hurricanes, fires, floods, epidemics, civil insurrections, curtailment of, or failure to obtain, sufficient electrical power, strikes, or lockouts.

J. **Entire Agreement; Binding Effect.** This Lease constitutes the entire Agreement between the parties with respect to the subject matter hereof, supersede all prior representations, agreements, negotiations and understandings, and may not be amended, or any provision waived, except in writing signed by both parties. This Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators.

K. **Governing Law; Venue.** This Lease is subject to, and shall be interpreted in accordance with, the laws of the State of Tennessee. Venue for any disputes arising under this Lease shall be in the state court of Wilson County, Tennessee. In the event that a lawsuit is filed by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses, and court costs as approved by the court.

L. **WAIVER OF JURY TRIAL.** LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION, ACTION, PROCEEDING OR COUNTERCLAIM BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE LEASED PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY OR ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE.

M. **Legal Fees.** In the event a lawsuit is filed by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses, and court costs as approved by the court.

N. **Captions and Headings.** All captions and headings are solely for convenience of reference and are not intended to define or limit the scope of any provisions of this Lease.

O. **Construction.** This Lease shall be interpreted and construed according to its fair meaning, without consideration as to which party drafted it.


P. **Incorporation of Recitals.** The Recitals set forth in the foregoing Preamble to this Lease are contractual and binding, and are incorporated herein as enforceable provisions of this Lease.

Q. **Authorization to Execute Agreement.** The individuals executing this Lease represent and warrant that they are competent and capable of entering into a binding contract, and that they are authorized to execute this Lease on behalf of the

parties hereto. Signatures transmitted by facsimile transmission, by electronic mail in portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same force and effect as physical execution and delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the authorized representatives of the parties hereto have duly executed this Agreement.

Signatures:

TENANT: 
By: _____
Name: _____
Title: _____

LANDLORD: 
By: _____
Name: _____
Title: _____

EXHIBIT A – MONTHLY RENT AMORTIZATION SCHEDULE

<u>Lease Year</u>	<u>Price per Square Foot</u>	<u>Base Rent (Payable Monthly)</u>	<u>Additional Rent – CAM Price Per Square Foot (Payable Monthly)</u>	<u>MRI Suite Build-Out and MRI Shielding Cost (Payable Monthly) **</u>
Year 1	\$19.00	\$2,675.67	\$4.00	\$2120.09
Year 2	\$19.57	\$2,755.94	\$4.12	\$2120.09
Year 3	\$20.16	\$2,836.21	\$4.22	\$2120.09
Year 4	\$20.76	\$2,921.13	\$4.35	\$2120.09
Year 5	\$21.38	\$3,008.38	\$4.48	\$2120.09
Year 6	\$22.02	\$3,097.96	\$4.61	\$2120.09
Year 7	\$22.68	\$3,191.02	\$4.75	\$2120.09
Year 8	\$23.36	\$3,286.42	\$4.89	XXXXXX

** MRI Suite build-out and MRI Shielding costs of \$150,000 are payable as Additional Rent, in monthly installments over 7-years at an annual interest rate of 5% simple interest.

EXHIBIT B – BUILDING RULES AND REGULATIONS

Tenant agrees to comply at all times during the Lease with the following Building Rules and Regulations, as same may be amended from time to time in Landlord's sole discretion:

1. Access to Building. Any person entering or leaving the Building may be questioned by Building security regarding his/her business in the Building and may be required to sign in and out. Anyone who fails to provide a satisfactory reason for being in the Building may be excluded.
2. Accidents. Tenant shall give Landlord prompt notice of any accidents occurring in the Building or Leased Premises.
3. Cleanliness; Trash and Refuse. Tenant shall at all times maintain the Leased Premises in a clean and healthful condition, as determined by applicable law and/or rules established in Landlord's sole determination. Tenant shall be responsible for maintaining suitable receptacles for trash and refuse, and removing all trash and refuse accumulated in the Leased Premises on no less than a weekly basis.
4. Conduct. Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Leased Premises in any manner that violates local, state or federal laws or regulation.
5. Contractors. Tenant shall not employ any service or contractor for service or work to be performed in the Building or Leased Premises, except as approved by Landlord.
6. Defects; Breakage. Tenant shall give Landlord prompt notice of any breakage or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.
7. Equipment; Moving; Furniture, Etc. Landlord shall approve the weight, size and position of all fixtures, equipment and other Personal Property of Tenant that is brought into the Building, and the times of moving which must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to any such equipment or property from any cause, and all damage done in the Building by moving or maintaining any such property shall be repaired at the expense of Tenant. All equipment shall be installed as required by law. Any hand carts, carryalls or similar appliances used to move merchandise or equipment into or out of the Building shall be equipped with rubber tires, side guards and such other safeguards as required by Landlord.
8. Firearms. Tenant shall not allow any firearms in the Building or the Leased Premises except as approved by Landlord in writing.
9. Keys. Tenant shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
10. Locks. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Tenant must upon the termination of its tenancy restore to Landlord all keys to the Leased Premises and toilet rooms either furnished to or otherwise produced by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Lessor the cost thereof.
11. Medical and Hazardous Waste. Tenant shall comply with all laws applicable to medical and hazardous waste, and with all policies established from time to time by Landlord, regarding the storage and disposal of hazardous substances, wastes and materials, and medical, special or infectious wastes.
12. Musical Instruments. Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the Building in such manner as to disturb or annoy other tenants inside or outside of the Building. Tenant shall not install any antennae, aerial wires or other equipment outside the Building without the prior written approval of Landlord.
13. Non-Disturbance; Loitering. Tenant shall not disturb, harass, solicit or canvass any occupant or invitee of the Building; nor shall Tenant allow any of its invitees to engage in such conduct. Neither Tenant nor any of Tenant's invitees shall loiter in common areas or in the parking lot.
14. Nuisances. Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Leased Premises, and shall not create or maintain a nuisance thereon.
15. Obstructions. The doors, window glass, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. Tenant shall not obstruct or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrance, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building. Tenant shall not allow anything to be placed on the outside window ledges of the Leased Premises or to be thrown out of the windows of the Building, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the Building or the land upon which the Building is sited.
16. Parking. Unless otherwise specified by Landlord, Tenant and its employees may park automobiles only in spaces designated by Landlord for such purpose and shall in no event park in spaces reserved for public parking or in No Parking zones.

Tenant agrees that Landlord assumes no responsibility of any kind whatsoever in reference to such automobile parking area or the use thereof by Tenant or its agents or employees. Landlord reserves the right to remove any vehicles that do not comply with these rules on parking, and shall indemnify and hold harmless Landlord from its reasonable exercise of these rights with respect to vehicles of Tenant and its employees, agents and invitees.

17. Requirements of Tenant. The requirements of Tenant will be attended to only upon application at the office of Landlord. No employee, agent or invitee of Tenant shall perform any work nor do anything outside their regular duties unless under special instructions from Landlord. No employee, agent or invitee shall admit any person, Tenant or otherwise, to any office other than the Leased Premises without instruction from the office of Landlord. All janitorial services personnel, guards or any outside contractors employed by Tenant shall be subject to the regulations and control of Landlord, but shall not act as an agent or servant of Landlord.

18. Signage. Tenant shall not place any sign upon the Leased Premises or the Building without Landlord's prior written consent.

19. Security; Conservation of Resources. Tenant will see that all windows and doors are securely locked, and that all faucets and electric light switches are turned off before leaving the Building.

20. Smoking. The use of all tobacco products, including without limitation, cigarettes, cigars, pipe tobacco, and smokeless tobacco of any kind, is prohibited in all portions of the Building.

21. Toilets and Urinals. Tenant shall permit its employees, agents, contractors and invitees to use toilets and urinals only for the purpose for which they were intended and constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed.

22. Vehicles; Animals. No bicycle or other vehicle, and no animal, except for a service animal, shall be brought into the offices, halls, corridors, elevators or any other parts of the Building by Tenant or the agents, employees or invitees of Tenant.

23. Walls. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or ironwork. Tenant shall be permitted to hang pictures on office walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls.

24. Wiring. Electrical wiring of every kind shall be introduced, connected, cut, and any boring shall be performed, only by contractors approved in writing by Landlord and working under the direct supervision of Landlord. The location of the telephone, call boxes, cable connections, etc., shall be subject to the prior written approval of Landlord.

EXHIBIT C – LANDLORD BUILD-OUT SPECIFICATIONS

EXHIBIT D
DESCRIPTION OF LEASED PREMESIS (FLOOR PLAN)

[ATTACH ON THIS PAGE]

SECTION A – APPLICANT PROFILE – ITEM # 13
(TennCare MCOs)

**TennCare Managed Care Organizations Currently Operating
in Applicant's Geographic Service Area**

AMERIGROUP
BlueCare
United Healthcare Community Plan
TennCare Select

Applicant participates with each of the above-listed TennCare Managed Care Organizations.

Applicant does not have any out-of-network relationships with TennCare Managed Care Organizations.

SECTION B – PROJECT COST – ITEM # II.E.1.a.1(i)
(Optima MRI Equipment Lease and Service Agreement)



**GE Capital
Healthcare Financial Services**

October 2, 2015

Ms. Tosha Smart
Tennessee Orthopedics
1616 West Main Street
Lebanon, TN 37087

Dear Ms. Smart:

GE Healthcare Financial Services, a component of GE HFS, LLC ("GEHFS"), is pleased to submit the following proposal:

Contract Description: True lease of equipment.

Lessor: GE HFS, LLC, or one or more of its affiliates and/or assigns.

Lessee: Tennessee Orthopedics, P.C.

Equipment Description: Optima MR450W 1.5T MR System
To include de-install of current magnet and install of new system
To include transportation of existing magnet back to GE HFS

Equipment Cost: \$1,210,156.70

Term and Rental Payment Amount: 84 payments at \$14,489.72 per month in Advance, plus applicable taxes, estimated at 7% of the equipment lease.
84 month service agreement with annual payment of \$98,922 starting in month 13

Lease Rate on Equipment Cost: .17%

Note: The lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 1.70%. GEHFS reserves the right to adjust the lease rate and rental payment amounts if this is not the case, and/or if the lease commences after December 31, 2015, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the lease as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at <http://www.federalreserve.gov/releases/h15/update/> or such other nationally recognized reporting source or publication as GEHFS may specify.

End of Lease Options: Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes, renew the lease, or return the Equipment to GEHFS.

Advance Rent: One monthly payment due with signed contract. In no event shall any advance rent or advance charge or any other rent payments be refunded to Lessee. The Advance Rental will be applied as described in the lease.

Documentation Fee: A documentation fee of \$Waived will be charged to Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.

Interim Rent: If the lease commencement date is not the 1st or 15th of any calendar month (a "Payment Date"), interim rent may be assessed for the period between the lease commencement date and the Payment Date.

Required Credit Information:

1. Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan.
2. Such additional information as may be required.

Proposal Expiration: This proposal and all of its terms shall expire on October 31, 2015 if GEHFS has not received Lessee's signed acceptance hereof by such date. Subject to the preceding sentence, this proposal and all of its terms shall expire on December 31, 2015 if the lease has not commenced by such date.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed transaction (whether before or after any credit approval of the proposed transaction by GEHFS) and is unable to effect such syndication on terms satisfactory to Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at 615-854-3687.

Sincerely yours,

Don Diffendorf

Donald Diffendorf
Vice President
GE Healthcare Financial Services,
a component of GE HFS, LLC



GE

Healthcare Financial Services

MASTER LEASE AGREEMENT DATED AS OF 06/10/2011

THIS MASTER LEASE AGREEMENT (this "Agreement") is between General Electric Capital Corporation (together with its successors and assigns, if any, "Lessor") and the undersigned lessee ("Lessee"). Lessor has a mailing address 20225 Watertown Blvd., Brookfield, WI 53045, Attn: Operations Dept. Lessee is a Professional Corporation organized and existing under the laws of the State of Tennessee. Lessee's mailing address and chief place of business is 1616 West Main Street, Lebanon, TN 37087. This Agreement contains the general terms that apply to the leasing of Equipment (defined below) from Lessor to Lessee. Additional terms that apply to the Equipment shall be contained on a schedule ("Schedule"). Capitalized terms used, but not otherwise defined, herein and which are defined in a Schedule shall have the respective meanings assigned to such terms in such Schedule.

1. LEASE, TERM AND RENT PAYMENTS:

(a) Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, all units of equipment and other property described in the Schedule(s), and all accessories, upgrades, additions, substitutions, replacement parts and tools pertaining thereto ("Equipment" and individually a "unit of Equipment") described in any Schedule signed by both parties.

(b) This shall be effective as of the date stated above and, unless sooner terminated by Lessor as hereinafter provided, shall continue until all of Lessee's obligations hereunder or under any Schedule(s) are fulfilled. The term of each Schedule is as specified in such Schedule and commences upon the Lease Commencement Date (defined in subparagraph (c) below). In the event of a conflict between provisions of this Agreement and a Schedule, the provisions of the Schedule shall control.

(c) The rent payable for the Equipment and Lessee's acceptance and right to use the Equipment shall occur on the earlier of (i) five days after the date Lessee is notified that the Equipment has been assembled and is operating in accordance with the manufacturer's published performance specifications, (ii) the date the Equipment is first used or (iii) the date when Lessee has accepted the Equipment under a certificate of acceptance ("Lease Commencement Date").

(d) Lessee shall pay rent to Lessor at its address stated above, except as otherwise directed by Lessor. Rent payments shall be in the amount set forth in the applicable Schedule and are due in advance beginning on the Lease Commencement Date and on the same day of each consecutive month thereafter. If any advance rent or advance charge (as stated in the applicable Schedule) is payable, it shall be due on or before Lessee signs such Schedule and shall be applied in the manner set forth under such Schedule. In no event shall any advance rent or advance charge or any other rent payments be refunded to Lessee. If rent is not paid within ten days of its due date, Lessee agrees to pay a late charge of five cents (\$.05) per dollar on, and in addition to, the amount of such rent but not exceeding the lawful maximum, if any. All other payments received by Lessor shall first be applied to any accrued late charge(s) and other monies due Lessor hereunder and then to any unpaid rents.

2. **TRANSPORTATION AND RISK OF LOSS:** The Equipment will be shipped to the site identified in a Schedule by the supplier or manufacturer of the Equipment identified in the Schedule

("Supplier"). Lessee or the Supplier will bear responsibility for transportation and risk of loss of the Equipment at all times. At no time will Lessor bear the risk of loss. The use of the term "risk of loss" herein shall include, without limitation, the entire risk of any loss, theft, damage to, or destruction of any unit of Equipment from any cause whatsoever.

3. **NET LEASE:** This Agreement constitutes a net lease, and Lessee's obligation to pay the rents and other amounts due hereunder (and the continuing effectiveness and enforceability of this Agreement) are absolute, unconditional, non-cancelable and independent obligations not subject to abatement, diminution, suspension, deferment or reduction of, or offset against, Lessee's obligations hereunder for any reason including without limitation: (i) any claims of Lessee against the Supplier of the Equipment; (ii) any defect in, damage to, or loss of destruction of any unit of Equipment however arising; or (iii) any interference with Lessee's use of any unit of Equipment by any third party (including any governmental body). It is the express intention of the parties hereto that all rents and other amounts payable by Lessee to Lessor hereunder shall continue to be promptly and unconditionally paid in all events.

4. RENT ADJUSTMENT:

(a) If, solely as a result of Congressional enactment of any law (including, without limitation, any modification of, or amendment or addition to, the Internal Revenue Code of 1986, as amended, "Code"), the maximum effective corporate income tax rate (exclusive of any minimum tax rate) for calendar-year taxpayers ("Effective Rate") is higher than 35% for any year during the lease term, then Lessor shall have the right to increase such rent payments by, at Lessor's option, (i) requiring payment of a single additional sum, or (ii) increasing the amount of the rent for the remaining term. The additional sum shall be equal to the product of (i) the Effective Rate (expressed as a decimal) for such year less .35 (or, in the event that any adjustment has been made hereunder for any previous year, the Effective Rate (expressed as a decimal) used in calculating the next previous adjustment) times (ii) the present value of the aggregate rents remaining under a Schedule discounted at 6%, divided by (iii) the difference between the new Effective Rate (expressed as a decimal) and one (1). If Lessor chooses the first option, Lessee shall pay to Lessor the full amount of the additional rent payment on the later of (i) receipt of notice or (ii) the first day of the year for which such adjustment is being made. If Lessor chooses the second option, the rental payments for each month subsequent to when Lessor provided Lessee notice of such rent shall be increased accordingly.

(b) Lessee's obligations under this Section 4 shall survive any expiration or termination of this Agreement.

(c) Until the Lease Commencement Date, Lessor shall have the right to adjust the rent as set forth in the Schedule(s). In addition, Lessee acknowledges that Lessor may adjust the rent, up or down, by no more than 10% within each Schedule to account for Equipment change orders, Equipment returns, invoicing errors, and similar matters. Lessor shall send Lessee a written notice stating the final rent, if it has changed.

5. **TAXES:** If permitted by law, and unless otherwise provided in any Schedule, Lessee shall report and pay promptly all taxes, fees and assessments due, imposed, assessed or levied against

any Equipment (or purchase, ownership, delivery, leasing, possession, use or operation thereof), this Agreement (or any rents or receipts hereunder), any Schedule, Lessor or Lessee by any governmental entity or taxing authority during or related to the term of this Agreement, or to any other period during which the Lessee had use or possession of the Equipment, including, without limitation, all license and registration fees, and all sales, use, personal property, excise, gross receipts, franchise, stamp or other taxes, imposts, duties and charges, together with any penalties, fines or interest thereon (collectively "Taxes"). Lessee shall have no liability for Taxes imposed by the United States of America or any state or political subdivision thereof which are on or measured by the net income of Lessor except as provided in Sections 4 and 20. Lessee shall promptly reimburse Lessor (on an after tax basis) for any Taxes charged to, assessed against or paid by Lessor. Lessee shall show Lessor as the owner of the Equipment on all tax reports or returns, and send Lessor a copy of each report or return and evidence of Lessee's payment of Taxes upon request by Lessor. Lessee's obligations under this Section 5 shall survive any expiration or termination of this Agreement.

6. REPORTS:

(a) If any tax, charge or other lien shall attach to any Equipment, Lessee will notify Lessor in writing, within ten days after Lessee becomes aware of the tax, charge or lien. The notice shall include the full particulars of the tax, charge or lien and the location of such Equipment on the date of the notice.

(b) Lessee will deliver to Lessor, Lessee's complete financial statements, certified by a recognized firm of certified public accountants within 90 days of the close of each fiscal year of Lessee. Lessee will deliver to Lessor copies of Lessee's quarterly financial report certified by the chief financial officer of Lessee, within 30 days of the close of each fiscal quarter of Lessee. Lessee will deliver to Lessor all Forms 10-K and 10-Q, if any, filed with the Securities and Exchange Commission within 30 days after the date on which they are filed. Upon the written request of Lessor, Lessee will deliver to Lessor any additional information reasonably requested by Lessor, including but not limited to accounts receivable agings, activity reports and budget comparison reports.

(c) Lessor may inspect any Equipment during normal business hours after giving Lessee reasonable prior notice (except as otherwise provided in Section 10).

(d) If any Equipment is lost or damaged (where the estimated repair costs would exceed the greater of ten percent (10%) of the original Equipment cost or ten thousand dollars (\$10,000)), or is otherwise involved in an accident causing personal injury or property damage, Lessee will promptly and fully report the event to Lessor in writing.

(e) Lessee will not change its state of incorporation or organization or its name as it appears in official filings in the state of its incorporation or organization without giving Lessor at least 10 days' prior written notice.

7. USE, OPERATION AND MAINTENANCE:

(a) Except as otherwise agreed to by Lessor, all Equipment shall be shipped directly to Lessee.

(b) Lessee agrees that the Equipment will be used by Lessee solely in the conduct of its business and in an manner complying with all applicable laws, regulations and insurance policies.

(c) Lessee will not move any Equipment from the location specified on the applicable Schedule, without the prior written consent of Lessor.

(d) Lessee will keep the Equipment free and clear of all liens, claims and encumbrances other than those which result from acts of Lessor.

(e) Lessor shall not disturb Lessee's quiet enjoyment of the Equipment during the term of the Agreement unless a default has occurred and is continuing under this Agreement.

(f) Lessee's use of the Equipment shall be subject to the Supplier's terms and conditions of sale, including, but not limited to any requirements regarding site preparation. Lessee further acknowledges that in the event the Equipment contains embedded software, such software is subject to the proprietary rights of the

owner thereof and Lessee's use of such software will be subject to the terms of any related software licenses.

(g) Lessee will, at its sole expense, maintain each unit of Equipment in good operating order and repair, normal wear and tear excepted and also maintain the Equipment in accordance with Supplier's recommendations. Lessee shall make all alterations or modifications required to comply with any applicable law, rule or regulation during the term of this Agreement. If Lessor requests, Lessee shall affix plates, tags or other identifying labels showing ownership thereof by Lessor. If and to the extent it becomes necessary to service, repair or replace any parts, components or accessories of or to the Equipment ("Parts"), any such repair or replacement shall be made only with original Equipment manufacturer's ("OEM") Parts, and if any OEM Part is not available, with a Part manufactured and/or distributed by a manufacturer and/or supplier approved by Lessor. All services and/or repairs performed on or with respect to the Equipment shall be performed by the OEM, or if the OEM has notified Lessee in writing that it is unable or unwilling to perform such services, such services shall be performed by a service provider approved by Lessor.

(h) Lessee will not attach or install anything on any Equipment that will impair the originally intended function or use of such Equipment without the prior written consent of Lessor. All additions, parts, supplies, accessories, and equipment ("Additions") if unattached or attached to any Equipment that are not readily removable shall become the property of Lessor. All Additions shall be made only in compliance with applicable law.

8. **INSURANCE:** Lessee agrees at its own expense, to keep the Equipment insured with companies acceptable to Lessor for such amounts and against such hazards as Lessor may require, including, but not limited to, all risk physical damage insurance for the Equipment itself, with losses under the policies payable to Lessor or its assigns, if any, and liability coverage for personal injuries, death and/or property damages on terms satisfactory to Lessor. Lessor and/or its officers, agents, employees and/or successors and/or assigns shall be named as an additional insured under all such insurance policies with loss payable clauses under said policies payable in Lessor's favor, as Lessor's interest may appear. Said Equipment shall be insured for not less than its Stipulated Loss Value (see Schedule) or such other amount as Lessor shall specify. Said liability insurance shall be in an amount of not less than two million dollars (\$2,000,000.00) or such other amount as Lessor shall specify. Lessee hereby appoints Lessor as its attorney-in-fact to make proof of loss and claims for insurance and to make adjustments with insurers and to receive payment of and execute or endorse all documents, checks or drafts in connection with payments made with respect to such insurance policies. Lessee may not make adjustments with insurers except with Lessor's prior written consent. The policies will provide that the insurance may not be altered or canceled by the insurer until after thirty days written notice to Lessor. In the event of damage to or loss, secretion, destruction or theft of the Equipment, or any portion of the Equipment, whether in whole or in part, Lessee will pay to Lessor the Stipulated Loss Value of all Equipment, or of the portion of the Equipment affected if the value and use of the remainder of the Equipment are not affected at the time of such occurrence (except to the extent that Lessor indefeasibly receives proceeds of insurance covering such Equipment). Lessor may, at Lessor's option, apply proceeds of insurance, in whole or in part, (i) to repair or comparably replace the Equipment or any portion of it or, (ii) to satisfy any of Lessee's obligations pursuant to this Agreement or a Schedule. Upon the request of Lessor, Lessee shall deliver to Lessor evidence reasonably satisfactory to Lessor that Lessee is in compliance with all Insurance requirements set forth in this Section 8, which evidence so requested may include insurance certificates from each relevant insurer.

9. **STIPULATED LOSS VALUE:** If for any reason (including, without limitation, in connection with the return of such Equipment pursuant to Section 14 hereof) any unit of Equipment becomes worn out, lost, stolen, destroyed, irreparably damaged or unusable ("Casualty Occurrences") Lessee shall promptly and fully notify

Lessor in writing. Lessee shall pay Lessor on the Casualty Payment Date (defined below), the sum of (i) the Stipulated Loss Value (see Schedule(s)) of the affected unit determined as of the rent payment date prior to the Casualty Occurrence; and (ii) all rent and other amounts which are then currently outstanding and due under this Agreement for the affected unit. The "Casualty Payment Date" shall be the next rent payment date after the Casualty Occurrence. Upon Payment of all sums due hereunder, the term of this Agreement as to such unit of Equipment shall terminate.

10.D DEFAULT AND REMEDIES:

(a) Lessor may declare this Agreement in default if: (i) Lessee breaches its obligation to pay rent or any other sum owing to Lessor (under this Agreement or otherwise) when due and fails to cure the breach within ten days; (ii) Lessee breaches any of its insurance obligations under Section 8 above; (iii) Lessee assigns any of its interests in this Agreement or in the Equipment without Lessor's prior written consent; (iv) Lessee breaches any of its other obligations under this Agreement and fails to cure that breach within 30 days after written notice from Lessor; (v) any representation or warranty made by Lessee in connection with this Agreement shall be incorrect, false or misleading in any material respect; (vi) Lessee or any guarantor or other obligor for the Lessee's obligations hereunder ("Guarantor") becomes insolvent or ceases to do business as a going concern (vii) if Lessee or any Guarantor is a natural person, any death or incompetency of Lessee or such Guarantor; (viii) a petition is filed by or against Lessee or any Guarantor under any bankruptcy or insolvency laws (in which event it shall be an immediate event of default) and in the event of an involuntary petition, the petition is not dismissed within 45 days of the filing date; or (ix) any material adverse change occurs in Lessee's financial condition or business operations (or of any Guarantor) or any material change occurs in the ownership of Lessee (or of any Guarantor). Lessee's default under a Schedule or a default by Lessee, any principal of Lessee or any entity managed or controlled by Lessee or any principal of Lessee under any other agreement or contract with Lessor, will at Lessor's sole option, constitute a default of this Agreement and all Schedules entered into pursuant to this Agreement.

(b) Upon the occurrence of an event of default hereunder, Lessor shall have the non-exclusive option to: (i) declare the aggregate rents or the Stipulated Loss Value (see Schedule) payable under any or all of the Schedules immediately due and payable; (ii) declare all other amount(s) due Lessor hereunder immediately due and payable; (iii) terminate this Agreement as to any or all of the Equipment; (iv) collect from Lessee, on all monies due but unpaid for more than ten days, a late charge of five cents per dollar on, and in addition to, the amount of all such monies, but not exceeding the lawful maximum; (v) take possession of the Equipment and remove same from its existing location(s) without notice to or consent of Lessee; and store and/or dispose (by public sale or otherwise) of the Equipment at its then existing location(s) at no charge to Lessor; (vi) sell or lease any or all items of Equipment at public or private sale or lease at such time or times as Lessor may determine and if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (vii) otherwise dispose of, hold, use, operate, or keep idle such Equipment, all as Lessor, in its sole discretion, may determine; and (viii) assert any other remedies available to Lessor at law or in equity (including, without limitation, under the Uniform Commercial Code).

(c) After deducting all expenses of retaking, repairing, holding, transporting, selling and/or reletting the Equipment, the net proceeds (if any) from such sale or reletting by Lessor shall be applied against Lessee's obligation hereunder. The proceeds of any sale, re-lease, or other disposition (if any) shall be applied in the following priorities: (i) first, to pay all Lessor's costs, charges and expenses in taking, removing, holding, repairing, selling, re-leasing and disposing of the Equipment; (ii) second, to the extent not previously paid by Lessee or by a Guarantor of Lessee's obligations hereunder to pay Lessor all amounts due from Lessee hereunder; and (iii) lastly, any surplus shall be retained by Lessor. Lessor shall have the right to seek a deficiency from Lessee

notwithstanding Lessor's repossession or abandonment of the Equipment, or Lessor's sale or reletting the Equipment to a third party.

(d) The foregoing remedies are cumulative and nonexclusive of any other rights and remedies that Lessor may have under any other agreement or at law or in equity and may be exercised individually or concurrently, and any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute. Lessee waives notice of sale or other disposition (and the time and place thereof), and the manner and place of any advertising. Lessee shall pay Lessor's actual attorneys' fees, agency fees, collection costs and expenses and any other costs and expenses incurred in connection with the enforcement, assertion, defense or preservation of Lessor's rights and remedies under this Agreement, or if prohibited by law, such lesser sum as may be permitted. Waiver of any default shall not be a waiver of any other or subsequent default.

11. INDEMNIFICATION: Lessee hereby agrees to indemnify Lessor, its agents, employees, successors and assigns (on an after tax basis) from and against any and all losses, damages, penalties, injuries, claims, actions and suits, including legal expenses, of whatsoever kind and nature arising out of or relating to the Equipment or this Agreement ("Claims"). This indemnity shall include, but is not limited to, Lessor's strict liability in tort and Claims, arising out of (i) the selection, manufacture, purchase, acceptance or rejection of Equipment, the ownership of Equipment during the term of this Agreement, and the delivery, lease, possession, maintenance, uses, condition, return or operation of Equipment (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee and any claim for patent, trademark or copyright infringement or environmental damage) or (ii) the condition of Equipment sold or disposed of after use by Lessee, any sublessee or employees of Lessee. Lessee shall, upon request, defend any actions based on, or arising out of, any of the foregoing. All of Lessor's rights, privileges and indemnities contained in this Section 11 shall survive the expiration or other termination of this Agreement. The rights, privileges and indemnities contained herein are expressly made for the benefit of, and shall be enforceable by Lessor, its successors and assigns.

12.D DISCLAIMER: LESSEE ACKNOWLEDGES THAT IT HAS SELECTED THE EQUIPMENT WITHOUT ANY ASSISTANCE FROM LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR DOES NOT MAKE, HAS NOT MADE, NOR SHALL BE DEEMED TO MAKE OR HAVE MADE, ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE EQUIPMENT LEASED UNDER THIS AGREEMENT OR ANY COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, OR TITLE. ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. LESSEE FURTHER AGREES THAT LESSOR AND ITS REPRESENTATIVES HAVE NO LIABILITY TO LESSEE FOR (I) ANY PENAL, PUNITIVE, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES SUCH AS LOST PROFIT OR REVENUE, (II) ANY ASSISTANCE NOT REQUIRED UNDER THE SCHEDULE, OR (III) ANYTHING OCCURRING AFTER THE END OF A SCHEDULE. THIS IS A COMMERCIAL LEASE TRANSACTION. ANY CLAIM RELATED TO THIS CONTRACT WILL BE COVERED SOLELY BY COMMERCIAL LEGAL PRINCIPLES. LESSOR, ITS REPRESENTATIVES AND ASSIGNS WILL NOT HAVE ANY NEGLIGENCE OR OTHER TORT LIABILITY TO LESSEE OR ANY PERSON OR ENTITY, ARISING FROM THIS AGREEMENT AND ANY OTHER DOCUMENT OR ANY USE OF ANY EQUIPMENT.

13. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE: Lessee makes each of the following

representations, warranties, and covenants to Lessor on the date hereof and on the date of execution of each Schedule.

(a) Lessee has full power and capacity to enter into, and perform under, this Agreement, the Schedules and all related documents (together, the "Documents"). Lessee is duly qualified to do business wherever necessary to carry on its present business and operations, including the jurisdiction(s) where the Equipment is or is to be located.

(b) The Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws.

(c) No approval, consent or withholding of objections is required from any governmental authority or any person or entity with respect to the entry into or performance by Lessee of the Documents except such as have already been obtained.

(d) The entry into and performance by Lessee of the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's organizational documents; or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than this Agreement) to which Lessee is a party.

(e) There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Lessee, which if decided against Lessee will have a material adverse effect on its business or operations or its ability to fulfill its obligations under this Agreement.

(f) The Equipment is and will remain tangible personal property.

(g) Each financial statement delivered to Lessor has been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of the most recent financial statement, there has been no material adverse change in the financial condition of Lessee.

(h) Lessee's exact legal name is as set forth in the last page of this Agreement and Lessee is and will be at all times validly existing and in good standing under the laws of the State of its formation (specified in the first sentence of this Agreement).

(i) The Equipment will at all times be used for commercial or business purposes.

14. END-OF-TERM OPTIONS: At least 180 days prior to the expiration of the original term of a Schedule or any subsequent term, Lessee must elect, by written notice to Lessor sent via certified mail to 20225 Watertown Blvd., Suite 300, Brookfield, WI 53045, Attn: VP Asset Management, one of the following end-of-term options: (i) Lessee's renewal of that Schedule for a one or two year term at a Monthly Rental determined at the time of renewal (based on the Equipment's then fair market value), (ii) Lessee's purchase of all (but not less than all) of the Equipment as set forth in Section 15 below; or (iii) Lessee's return of all (but not less than all) of the Equipment to Lessor. Should Lessee fail to comply with the provisions described above covering written notice, upon expiration of the Term, the Term of the Schedule shall be automatically extended for a term of three months at the highest Monthly Rental amount. Thereafter, the Term of the Schedule will be extended for subsequent full month periods, on a month-to-month basis, until Lessee has given at least 90 days written notice terminating the Schedule.

15. PURCHASE OPTION:

(a) Lessee may at lease expiration purchase all (but not less than all) of the Equipment in any Schedule on an AS IS, WHERE IS BASIS for cash equal to its then Fair Market Value (plus all rent and other sums due hereunder on or prior to the purchase date, to the extent not previously paid, plus all taxes and charges due in connection with such sale and all other expenses incurred by Lessor in connection with such sale). Lessee must notify Lessor of its intent to purchase the Equipment in writing at least 180 days in advance. If Lessee is in default or if the

corresponding Schedule has already been terminated Lessee may not purchase the Equipment.

(b) "Fair Market Value" shall mean the price that a willing buyer would pay for the Equipment in an arm's-length transaction to a willing seller under no compulsion to sell. In determining the Fair Market Value the Equipment shall be assumed to be in the condition in which it is required to be maintained and returned under this Agreement. The Equipment shall be valued on a fully assembled, installed and operational basis. If Lessor and Lessee are unable to agree on the Fair Market Value, Lessor shall appoint, at least 135 days before lease expiration, an independent appraiser (reasonably acceptable to Lessee) to determine Fair Market Value. The independent appraiser's determination shall be final, binding and conclusive. Lessee shall bear all costs associated with any such appraisal.

(c) Lessee shall be deemed to have waived this option unless it provides Lessor with written notice of its irrevocable election to exercise the same within 15 days after Fair Market Value is told to Lessee.

16. REMOVAL AND RETURN OF EQUIPMENT:

(a) At the expiration or earlier termination of a Schedule, Lessee will arrange for the removal and return of the Equipment at its expense, including all transportation to a business address designated by Lessor within the Continental United States of America. If Lessor has not designated a business address as contemplated in the immediately preceding sentence on or prior to the expiration or earlier termination of a Schedule, Lessee shall request Lessor to so designate a business address, which request shall be in writing and delivered to Lessor in the manner provided in Section 23(b). The Equipment shall be de-installed, crated and transported by the original Equipment manufacturer (the "OEM"), or if the OEM has notified Lessee in writing that it is unable or unwilling to perform such services, such services shall be performed by a provider approved by Lessor. If Lessor so requires, the Equipment shall, at Lessee's sole cost and expense, be inspected by the OEM, the Supplier or such other person approved by Lessor, and Lessee shall obtain from the OEM, Supplier or such other person, as applicable, and make available to Lessor, a comprehensive inspections report, certifying that the Equipment is operable in accordance with the then prevailing performance specifications for it. If Lessee makes modifications to its premises after the Equipment has been installed which impede the removal of the Equipment, the cost of removing the impediments and restoring the premises will be at Lessee's expense. The Equipment will be returned to Lessor or its assigns on the expiration or earlier termination of a Schedule in the same condition and appearance as when received by Lessee (reasonable wear and tear excepted) and in good working order and condition, operable in accordance with the Supplier's then prevailing performance specifications for it. All waste material and fluid must be removed from the Equipment and disposed of by Lessee in accordance with the then current waste disposal laws. If the Equipment is not so returned, Lessor, at Lessee's sole expense, may have the Equipment restored to such a condition.

(b) If Lessor so requires, at Lessor's sole discretion, Lessee shall obtain a policy of transit insurance for the return of the Equipment to Lessor in an amount equal to the replacement value of the Equipment. Such transit insurance must name Lessor as the loss payee. Lessee shall pay for all costs of complying with this section.

(c) Lessee shall provide to Lessor a detailed inventory of all components of the Equipment including model and serial numbers. Lessee shall also provide an up to date copy of all other documentation pertaining to the Equipment.

(d) All service manuals, blueprints, process flow diagrams, operating manuals, inventory, maintenance records and clinical images (for diagnostic imaging equipment only) not older than 30 days with patient data erased, shall be given to Lessor at least 90 days, and not more than 120 days, prior to the Agreement termination.

(e) Lessee shall, at its sole cost and expense, make the Equipment available for Lessor's on-site operational inspection by potential purchasers at least 120 days prior to and continuing up to Agreement termination. Lessor shall provide Lessee with

reasonable notice prior to any inspection. Lessee shall provide personnel, power and other requirements necessary to demonstrate electrical, hydraulic and mechanical systems for each item of Equipment.

(f) All of Lessee's duties and obligations, and all of Lessor's rights, under this Section 16 shall survive the expiration or other termination of this Agreement and each Schedule.

17.A ASSIGNMENT: LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER OR SUBLET ANY EQUIPMENT OR THE INTEREST OF LESSEE IN THE EQUIPMENT OR THE RIGHTS OR OBLIGATIONS OF LESSEE UNDER THIS AGREEMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. Lessor may, without the consent of Lessee, assign this Agreement, any Schedule or the right to enter into a Schedule, provided that any such assignment shall not relieve Lessor of its obligations hereunder. Lessee agrees that if Lessee receives written notice of an assignment from Lessor, Lessee will pay all rent and all other amounts payable under any assigned Schedule to such assignee or as instructed by Lessor. Lessee also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by Lessor or assignee. Lessee hereby waives and agrees not to assert against any such assignee any defense, set-off, recoupment claim or counterclaim which Lessee has or may at any time have against Lessor for any reason whatsoever.

18.NO THIRD PARTY BENEFICIARIES: This Agreement is solely for the benefit of Lessee and Lessor and no person or legal entity is, or shall be considered, an intended third party beneficiary hereof, and no person other than Lessee and Lessor shall have an enforceable right to any benefits under this Agreement.

19.P PROTECTED HEALTH INFORMATION. Lessee shall not disclose any Protected Health Information to Lessor during the term of this Agreement. In the event Lessor exercises its rights to proceed against, or otherwise obtains possession of, the Equipment, whether by event of default, termination of this Agreement, or otherwise, Lessee shall purge and/or remove any and all Protected Health Information from that part of the Equipment, including from any related hardware or software, and ensure that the transfer of the Equipment shall not result in Disclosure of any Protected Health Information. "Protected Health Information" and "Disclosure" each has the meaning as set forth in 45 C.F.R. § 160.103.

20.T TAX BENEFIT INDEMNIFICATION: Lessor and Lessee agree that should either the United States government or any state or local tax authority disallow, eliminate, reduce, recapture, or disqualify, in whole or in part, the tax benefits claimed under a Schedule by Lessor, Lessee will then indemnify Lessor by payment, at its choice, of either: (i) supplemental rent to Lessor during the remaining period of the term of such Schedule in an amount necessary to permit Lessor to receive (on an after-tax basis over the full term of such Schedule) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits, together with any interest or penalties which might be assessed by the governmental authority(ies) with respect to such loss or disallowance, or (ii) a lump sum, payable on demand, to Lessor which will be equal to the amount necessary to permit Lessor to receive (on an after-tax basis over the full term of that Schedule) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits, together with the amount of any interest or penalties which might be assessed by the governmental authority(ies) with respect to such loss or disallowance. All references to Lessor in this Section include Lessor and the consolidated taxpayer group of which Lessor is a member. All of Lessor's rights, privileges and indemnities contained in this Section shall survive the expiration or other termination of this Agreement. The rights, privileges and indemnities contained herein are expressly made for the benefit of, and shall be enforceable by Lessor, its successors and assigns.

21.CO COMPLIANCE WITH REPORTING RESPONSIBILITIES: Lessee agrees to fully and accurately account for, and report in

any applicable cost reports, all items and services received from Lessor under this Agreement and all Schedules, in a way which complies with all applicable laws and regulations, including the Federal Social Security Act and implementing regulations relating to Medicare, Medicaid and the Federal Health Care Programs.

22. FILING: Lessee will sign and return to Lessor when requested such instrument(s) as applicable law requires or permits to give public notice of Lessor's interest in the Equipment. In addition, Lessee hereby authorizes Lessor to file a precautionary financing statement and amendments thereto describing the Equipment described in any and all Schedules now and hereafter executed pursuant hereto and adding any collateral described therein and containing any other information required by the applicable Uniform Commercial Code. If and to the extent that this Agreement or a Schedule is deemed a security agreement, Lessee hereby gives, grants and assigns to Lessor, its successors and assigns, a security interest in all of Lessee's rights under and interest in the Equipment, the general intangibles related thereto, the accounts created thereby and all proceeds of the foregoing. Such security interest shall secure Lessee's obligations with respect to all Schedules and agreements between Lessee and Lessor. Lessee hereby irrevocably appoints Lessor or its designee as Lessee's agent and attorney-in-fact to sign such instrument(s) on Lessee's behalf and to file them.

23.M ISCELLANEOUS:

(a) LESSEE AND LESSOR UNCONDITIONALLY WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE DOCUMENTS, ANY DEALINGS BETWEEN LESSEE AND LESSOR RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN LESSEE AND LESSOR. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, ADDENDA OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(b) Time is of the essence of this Agreement. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's right at any other time to demand strict compliance with this Agreement. If more than one Lessee is named in this Agreement, the liability of each shall be joint and several. All notices required to be given hereunder shall be deemed adequately given if sent by registered or certified mail to the addressee at its address stated herein, or at such other place as such addressee may have specified in writing by notice as prescribed in this Agreement. This Agreement and any addendum, schedule and annexes hereto constitute the entire agreement of the parties with respect to the subject matter hereof. No prior proposals, statements, course of dealing, or usage of trade will be a part of this Agreement. NO VARIATION OR MODIFICATION OF THIS AGREEMENT OR ANY WAIVER OF ANY OF ITS PROVISIONS OR CONDITIONS, SHALL BE VALID UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF EACH OF THE PARTIES HERETO.

(c) If Lessee does not comply with any provision of this Agreement, Lessor shall have the right, but shall not be obligated, to effect such compliance, in whole or in part. All reasonable amounts spent and obligations incurred or assumed by Lessor in effecting such compliance shall constitute additional rent due to Lessor. Lessee shall pay the additional rent within five days after the date Lessor sends notice to Lessee requesting payment. Lessor's effecting such compliance shall not be a waiver of Lessee's default.

(d) Any provisions in this Agreement, any Schedule, addendum or amendment hereto that are in conflict with any

statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto, but the remaining provisions shall remain enforceable as written.

(e) This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the internal laws of the State of Wisconsin (without regard to the conflict of laws principles of such State, including all matters of construction, validity and performance, regardless of the location of the Equipment.

(f) Any cancellation or termination by Lessor, pursuant to the provisions of this Agreement, any Schedule, addendum or amendment hereto, of the lease of any Equipment hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder.

(g) Lessee agrees that neither it nor its affiliates will in the future issue any press release or other public disclosure using the name of General Electric Capital Corporation or any of its affiliates or referring to this Agreement without at least two (2) business days' prior notice to Lessor and without the prior written consent of Lessor unless (and only to the extent that) Lessee or its affiliate is required to do so under law and then, in any event, such Lessee or affiliate will consult with Lessor before issuing such press release or other public disclosure. Lessee consents to the publication by Lessor of a tombstone or similar advertising material relating to the transactions contemplated by this Agreement.

(h) There is no restriction either express or implied on any disclosure or dissemination of the structure or tax aspects of the

transactions contemplated by this Agreement. Further, Lessor acknowledges that it has no proprietary rights to any tax matter or tax idea or to any element of the transaction structure.

(i) This Agreement and any related documents may be authenticated by manual signature, facsimile or, if approved in writing by Lessor, electronic means, all of which shall be equally valid.

(j) The parties agree that this Agreement and each Schedule constitutes a "Finance Lease" under Uniform Commercial Code Section 2A-103 (g). It is the intent of the parties that this Agreement will be a true lease and not a "conditional sale", and that Lessor shall at all times be considered to be the owner of the Equipment for the purposes of all Federal, state, city and local income taxes, and that this Agreement conveys to Lessee no right, title or interest in any of the Equipment except as lessee. Accordingly, Lessee agrees (i) to treat Lessor as the owner of the Equipment, (ii) not to take any actions or positions inconsistent with such treatment on or with respect to any income tax return, and (iii) not to claim any tax benefits available to an owner of the Equipment on or with respect to any income tax return.

(k) LESSEE ACKNOWLEDGES AND CONFIRMS THAT IT HAS NOT RECEIVED ANY TAX, FINANCIAL OR ACCOUNTING ADVICE FROM LESSOR OR SUPPLIER.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

Lessor:

General Electric Capital Corporation

By: 

Name: NATHAN VERNON

Title: Duly Authorized Signatory

Lessee:

Tennessee Orthopedics, P.C.

By: 

Name: STEPHEN NEELY, M.D.

Title: PRESIDENT



INCUMBENCY CERTIFICATE

I hereby certify to General Electric Capital Corporation, its successors and/or assigns, that:

1. Tennessee Orthopedics, P.C., is a Professional Corporation organized under the laws of the State of Tennessee (the "Company").
2. The following persons hold the title/office indicated opposite their respective names, such persons having been duly elected to, and qualified for, such titles/offices, and such persons are duly authorized to execute and deliver Master Lease Agreements, Master Security Agreements, Security Agreements, Master IT System Lease Agreements, Promissory Notes and any present or future schedules or supplements and all documentation connected therewith between the Company and General Electric Capital Corporation and its successors and/or assigns (the "Agreements").
3. The signature appearing opposite his/her respective name is the genuine signature of each such person.

Name of Incumbent (Print)	Title/Office	Specimen Signature
STEPHEN NEELY, MD	PRESIDENT	
ROY TERRY, MD	SECT. / TREAS.	
_____	_____	_____
_____	_____	_____
_____	_____	_____

The undersigned holds the office/title indicated below and has the power and authority to execute this certificate on behalf of the Company and has so executed this certificate this _____ day of _____, 20____.

Signature:

Name: STEPHEN NEELY, MD

Title: PRESIDENT

INSTRUCTION NOTE: A) If the person signing immediately above is one of the persons authorized to sign transaction documents on behalf of the Company, another duly authorized signatory of the Company should complete and sign the portion of this Certificate below. B) If the Company has only one duly authorized signatory, the signature of the person signing immediately above must be notarized.

I hereby certify to General Electric Capital Corporation, its successors and/or assigns, that:

1. The person signing immediately above holds the office/title indicated immediately above, such person having been duly elected to and qualified for such office/title, and such person is duly authorized to execute and deliver the Agreements.
2. The signature of such person immediately above is the genuine signature of such person.

Signature:

Name: ROY TERRY, MD

Title: SECT. / TREAS.



GE
Healthcare Financial Services

Internal Contract Ref. # 8684376-001
Internal Order Ref. # 2948143

**ACCEPTANCE CERTIFICATE
RELATING TO EQUIPMENT SCHEDULE DATED AS OF 06/10/2011
TO MASTER LEASE AGREEMENT
DATED AS OF 06/10/2011
EQUIPMENT DESCRIPTION: GE SIGNA HDE 1.5T 8-CHANNEL MR SYSTEM**

To: General Electric Capital Corporation (Lessor)

Pursuant to the provisions of the above referenced Equipment Schedule and Master Lease Agreement, the undersigned, on behalf of, and as authorized and instructed by, Lessee, hereby certifies that the Equipment described in the above-referenced Equipment Schedule has been delivered and received; that the Equipment has been fully assembled as required; that installation or other work necessary prior to the use of the Equipment has been fully completed as required; that the Equipment has been examined and/or tested and is in good order and operating condition and is in all respects satisfactory; and that Lessee has accepted the Equipment unconditionally.

Upon request of Lessor, Lessee shall promptly provide to Lessor copies of invoice(s) or other documentation acceptable to Lessor which show the date the Equipment was delivered to Lessee.

Lessee has read and reviewed the above-referenced Master Lease Agreement and Equipment Schedule, and hereby reaffirms and acknowledges its terms and conditions. Lessee further represents and warrants that all representations and warranties made by Lessee in such Equipment Schedule and Master Lease Agreement were true and accurate when originally made and are true and accurate as of the date set forth below.

The undersigned hereby certifies and represents that the undersigned is duly authorized to execute and deliver this ACCEPTANCE CERTIFICATE on behalf of the Lessee.

Lessee:


Tennessee Orthopedics, P.C.

By:

Name:

Title:

Date:


STEPHEN M. NEELY, MD
PRESIDENT
9-7-11



EQUIPMENT SCHEDULE
DATED AS OF 06/10/2011
TO MASTER LEASE AGREEMENT
DATED AS OF 06/10/2011

This Schedule is executed pursuant to, and incorporates by reference the terms and conditions of the Master Lease Agreement identified above ("Agreement," said Agreement and this Schedule being collectively referred to as the "Lease"). Except as provided herein, capitalized terms not defined herein shall have the meanings assigned to them in the Agreement. This Schedule constitutes a separate instrument of lease (with respect to the Equipment) and a financing (with respect to the Soft Costs (as defined below)).

1. (a) **EQUIPMENT:** Subject to the terms and conditions of the Lease, Lessor agrees to lease to Lessee the Equipment described below (the "Equipment")

Number Of Units	Site	Supplier/ Manufacturer	Model, VIN #, Unit # and/or Type Of Equipment
1	Tennessee Orthopedics 1616 West Main Street Lebanon, TN 37087	GE Healthcare 3000 North Grandview Blvd Waukesha, WI 53188	Signa HDe 1.5T 8-Channel MR System

(b) **SOFT COSTS FINANCING:** This Schedule includes the financing of certain Soft Costs (12 Month Warranty, Rigging & Interim Mobile Solutions) (collectively, the "Soft Costs"). The amount of the Soft Costs financing portion of this Schedule is equal to \$164,400.00 (the "Soft Costs Amount"). Lessor and Lessee hereby agree that, for tax purposes, the portion of the Monthly Rental associated with the financing of the Soft Costs Amount constitutes debt and represents a payment of principal and interest on the financing of the Soft Costs Amount. Notwithstanding anything to the contrary in the Lease, at the end of the Term of this Schedule, if no default has occurred and is continuing under the Lease, and if no event, with the passage of time or the giving of notice or both would become a default under the Lease, has occurred, then Lessee shall have no further obligations under this Schedule with regard to the Soft Costs financing portion of this Schedule, except for those obligations that survive the termination of this Schedule pursuant to the express terms of the Lease.

2. TERMS AND RENTALS:

A. **Term of Schedule:** 63 months. The term of this Schedule will commence on the Lease Commencement Date specified in the "Lease, Term and Rent Payments" section of the Agreement and continue for the term specified immediately above, subject to and in accordance with the terms and conditions of this Schedule. In the event that the Lease Commencement Date does not occur on or prior to 09/18/2011, Lessor may at anytime thereafter, at its option, by written notice to Lessee, terminate this Schedule, after which termination this Schedule shall be of no further force or effect.

B. **Advance Rental:** \$ 0.00.

C. **Monthly Rental:** 3 Month(s) @ \$0.00; 60 Month(s) @ \$15,023.58, plus all applicable taxes. In states assessing upfront sales and use tax, your Monthly Rentals will be adjusted to include the applicable sales and use tax amortized over the Term using a rate that preserves Lessor's economic yield for the transaction described in the Lease. Lessee's payment of Monthly Rentals to Lessor will be in accordance with the "Lease, Term and Rent Payments" section of the Agreement. The Monthly Rental payments reflect the 5 Year Swap Rate(1) of 2.10% (the "Initial Swap Rate"). Lessor reserves the right to adjust such payments on the Lease Commencement Date based on the number of basis points that the Swap Rate has changed from the Initial Swap Rate, or for other changes in market conditions as determined by Lessor in its sole discretion. In the event that any adjustment to the Monthly Rental payments is required to be made pursuant to this paragraph, Lessor may elect that no adjustment be made to the

First Monthly Rental (as defined below) due hereunder, but rather that each Monthly Rental payment following the First Monthly Rental be adjusted to reflect the adjustment required to be made pursuant to this paragraph, as well as to reflect that no adjustment will be made to the First Monthly Rental. As used herein, "First Monthly Rental" shall mean the first Monthly Rental payment due under this Schedule which is greater than zero (\$0) dollars. Interest shall be calculated on the basis of a 360-day year consisting of twelve (12) consecutive thirty (30)-day months for the actual number of days occurring in the period for which interest is payable.

(1) "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of this Schedule as published on the date selected by Lessor, which date shall be no earlier than seven (7) business days immediately preceding the Lease Commencement Date, by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at <http://www.federalreserve.gov/releases/h15/update/> or such other nationally recognized reporting source or publication as Lessor may specify.

D. **Interim Rent:** If the Lease Commencement Date is not the 1st or the 15th of any calendar month (a "Payment Date"), the initial Term shall be extended by the number of days between the Lease Commencement Date and the Payment Date which occurs after the Lease Commencement Date (the "Interim Rent Period"). Lessee shall pay interim rent for the Interim Rent Period. The interim rent will be due on the first payment due date and calculated as the Average Daily Rental Payment times the number

of days in the Interim Rent Period. For purposes of this calculation, the "Average Daily Rental Payment" shall equal the aggregate Monthly Rental payments due under the Term of this Schedule divided by the product of the total number of Monthly Rentals times 30.

3. AUTODRAFTING

A. Lessee hereby authorizes Lessor to initiate debit entries for Lessee's payment of the charges which are due periodically under this Schedule and any service contracts relating to the Equipment and the financial institution indicated below to debit with the amounts thereof the account listed below (the "Account").

Financial Institution Name: N/A
Financial Institution
Address: _____

City: _____ State: _____ Zip: _____

B. The following information can be obtained from a check in respect of the Account (please attach a copy of a voided check for verification purposes):

Account Name: N/A
Nine-digit Financial Institution ID Number: _____
Your Financial Institution Account Number: _____

C. Lessee further authorizes Lessor to adjust the dollar amount transferred from the Account to correspond to periodic changes in the payment due, if any, under the terms of this Schedule.

D. Lessee hereby authorizes Lessor to automatically debit from the Account all current or past due property taxes (if applicable).

E. Rules and Regulations

(i) Lessee understands that due to the difference in timing between the Lease Commencement Date and the booking of this Schedule, the initial debit may be for more than one periodic charge but will not be more than the actual total monthly amounts due at that time.

(ii) Failure to have adequate funds in the Account shall constitute an event of default under this Schedule.

(iii) Lessee understands that it will continue to receive an invoice each month as notification of the amount to be debited from the Account.

(iv) Lessee agrees that it will not revoke, terminate or modify this authorization or the information contained herein, without the prior written consent of Lessor. In the event Lessee revokes or terminates this authorization, Lessee must remit its periodic charges directly to Lessor at the address specified in the Agreement. Failure to pay the periodic charges on or before the due date shall constitute an event of default under this Schedule.

(v) If a deduction is made in error, Lessee has the right to be immediately refunded by Lessor for the amount of the erroneous deduction provided that Lessee provides written notification of the erroneous deduction within 15 days after its account statement is issued or 45 days after the monies are paid to Lessor.

4. ARTICLE 2A NOTICE: IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE APPLICABLE STATE, LESSOR HEREBY MAKES THE FOLLOWING DISCLOSURES TO LESSEE PRIOR TO EXECUTION OF THE LEASE, (A) THE PERSON(S) SUPPLYING THE EQUIPMENT IS REFERENCED IN SECTION 1 ABOVE (THE "SUPPLIER(S)"), (B) LESSEE IS ENTITLED TO THE PROMISES AND WARRANTIES, INCLUDING THOSE OF ANY THIRD PARTY, PROVIDED TO THE LESSOR BY THE SUPPLIER, WHICH IS SUPPLYING THE EQUIPMENT IN CONNECTION WITH OR AS PART OF THE CONTRACT BY WHICH LESSOR ACQUIRED THE EQUIPMENT AND (C) WITH RESPECT TO SUCH EQUIPMENT, LESSEE MAY COMMUNICATE WITH SUPPLIER(S) AND RECEIVE AN ACCURATE AND COMPLETE STATEMENT OF SUCH PROMISES AND WARRANTIES, INCLUDING ANY DISCLAIMERS AND LIMITATIONS OF THEM OR OF REMEDIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE IN ARTICLE 2A AND ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE WHICH MAY LIMIT OR MODIFY ANY OF LESSOR'S RIGHTS OR REMEDIES UNDER THE DEFAULT AND REMEDIES SECTION OF THE AGREEMENT.

5. STIPULATED LOSS TABLE: The Stipulated Loss Value for any unit of Equipment shall be the Lessor's capitalized cost of such unit (as referenced in the Stipulated Loss Table to be delivered by Lessor to Lessee) multiplied by the appropriate percentage derived from a Stipulated Loss Table. In the event that the Lease is for any reason extended, then the last percentage figure shown in the Stipulated Loss Table shall control throughout any such extended term.

6. Lessee does further certify that as of the date hereof (i) Lessee is not in default under the Lease; (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof and (iii) Lessee has reviewed and approves of the purchase documents for the Equipment, if any.

7. Any modified or additional terms and conditions of this Schedule are set forth in the following attachments to this Schedule: Acceptance Certificate, Stipulated Loss Table.

8. For purposes of this Schedule only, the last two sentences of Section 14 of the Agreement are hereby amended and restated in their entirety to read as follows:

"Should Lessee fail to comply with the provisions described above covering written notice or fail to return possession of the Equipment to Lessor in a timely manner upon the expiration of the Term of a Schedule, then, upon expiration of the Term, the Term of the Schedule shall be automatically extended for a term of three months at the highest Monthly Rental amount. Thereafter, the Term of the Schedule will be extended for subsequent full month periods, on a month-to-month basis, until Lessee or Lessor has given the other party at least 90 days written notice terminating the Schedule."

9. Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect.

Signature Page to Follow.

Equip Sch to LeaseBLV1FINAL

Page 2 of 3

(Rev 9/1/06)

Lessor

General Electric Capital Corporation

By:

Name:

Title: Duly Authorized Signatory

Lessee:

Tennessee Orthopedics, P.C.

By:

Name:

Title:



GE

Healthcare Financial Services

**DISTRIBUTIONS RESTRICTIONS
ADDENDUM TO MASTER LEASE AGREEMENT
DATED AS OF 06/10/2011**

This Addendum dated 06/10/2011, between General Electric Capital Corporation (hereinafter "Lessor") and Tennessee Orthopedics, P.C. (hereinafter "Lessee") is attached to and made a part of the Master Lease Agreement referenced above by and between Lessor and Lessee (collectively, hereinafter "Agreement"). Unless otherwise noted, all terms used herein have the same meaning they are accorded in the Agreement. The Agreement is hereby amended and supplemented as follows, which amendment and supplement shall be effective as to all Equipment Schedules to the Agreement (each a "Schedule", and collectively, the "Schedules"), whether executed and entered into either before, as of or after the date hereof:

WHEREAS, Lessor, as an inducement to enter into the Agreement and each Schedule on and after the date hereof, is requiring that Lessee enter into this Addendum.

NOW THEREFORE, in consideration of the foregoing, it is hereby mutually agreed between Lessor and Lessee that, during the term of the Agreement and each Schedule, no salary, bonus, commission, fee and/or dividend will be paid to any shareholder, member or partner of, or any other holder of any equity interest in, Lessee (including any and all such shareholders, members, partners and/or holders who become such subsequent to the date of this Addendum), if there shall have occurred and be continuing a default under the Agreement, or any event or circumstance which, with the giving of notice or passage of time, or both, would constitute a default under the Agreement.

Lessor:

General Electric Capital Corporation

By:

Name:

Title: Duly Authorized Signatory

Lessee:

Tennessee Orthopedics, P.C.

By:

Name:

Title:



GE

Healthcare Financial Services

LANDLORD'S WAIVER AND CONSENT

This Landlord's Waiver and Consent (the "Agreement") is entered into among Tennessee Orthopedics, P.C. (whether one or more, "Customer"), General Electric Capital Corporation with offices at 20225 Watertower Blvd, Brookfield, WI 53045 ("GE") and agreement (the "Financing Agreement") whereby GE has acquired or will acquire an ownership or security interest in certain equipment or security property (the "Collateral") as further described in the Financing Agreement or in schedules thereto. Some or all of the Collateral may be affixed or otherwise become located on the premises located at 1616 West Main Street Lebanon, TN 37087 ("Premises"). To induce GE to enter into the Financing Agreement and extend a loan, lease, or other financial accommodation to Customer against such ownership or security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with GE and Customer as follows:

1. **Landlord.** The term "Landlord" is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor, mortgagee, deed of trust beneficiary, or lien holder, or that of any other holder of an interest in the Premises that may be, or may become, prior to the interest of GE.

2. **Disclaimer of Interest.** Landlord hereby consents to GE's security or ownership interest in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral and agrees not to distraint or levy upon the Collateral for any reason. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject and subordinate at all times to GE's interest in or to the Collateral and such Collateral will not be deemed a fixture but shall at all times be considered personal property.

3. **Entry Onto Premises.** Landlord and Customer grant to GE the right to enter upon the Premises and use all of the Premises' facilities for the purpose of removing the Collateral. If GE enters onto the Premises and removes the Collateral, GE will repair any damage to the Premises caused by removal of the Collateral (ordinary wear and tear excluded). GE shall not be required to restore the Premises to its original condition. Landlord shall seek sole recourse against Customer for such obligation to restore the Premises. To the extent Landlord is exercising rights of eviction against the Customer, Landlord will provide GE prompt notice of such action at the address above and provide GE the opportunity to remove the Collateral.

4. **Miscellaneous Provisions.** This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Customer and Landlord respecting subordination of the claim or claims of Landlord in favor of GE shall extend to, include, and be enforceable by any transferee or endorsee to whom GE may transfer any interest in the Financing Agreement or any claim or claims to which this Agreement shall apply. GE need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction where the Premises are located. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to GE that he or she has full power and authority to execute this Agreement on Landlord's behalf. GE shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by GE. No delay or omission on the part of GE in exercising any right shall operate as a waiver of such right or any other right. A waiver by GE of a provision of this Agreement shall not constitute a waiver of or prejudice GE's right otherwise to demand strict compliance with that provision or any other provision. Whenever consent by GE is required in this Agreement, the granting of such consent by GE in any one instance shall not constitute continuing consent to subsequent instances where such consent is required.

Dated this 17th day of June 2011.

Tennessee Orthopedics, P.C.

By:

Its:

[Signature]
PRESIDENT

Landlord

By:

Its:

[Signature]
CEO

6-21-11

General Electric Capital Corporation

By:

Its: [Signature]
Duly Authorized Signatory

**GE****Healthcare Financial Services****CUSTOMER BILLING INFORMATION**

Please complete and validate information below to ensure invoicing accuracy

CONTACT INFORMATION:

Name	Ms. Cathy Ferone
Title	Practice Mgr.
Phone #	615-449-0990
Email	cferone@tennesseeorthopedics.com

BILLING INFORMATION: (Your invoice will be addressed as shown below. Please include any room #'s, mail stop, P.O. Box# if applicable)

Customer Full Legal Name	Tennessee Orthopedics, P.C.	CHANGE BILLING ADDRESS TO:
Address Line #1	1616 West Main Street	
Address Line #2		
City, State & Zip	Lebanon, TN 37087	
Federal Tax ID #		
State of Incorporation	Tennessee	
Purchase Order / P.O.# (if applicable)		
REFERENCE CONTRACT #	8684376-001	
Equipment Description	GE SIGNA HDE 1.5T 8-CHANNEL MR SYSTEM	

A/P INFORMATION: (Necessary for GE to know who will be processing our invoices)

Name	Cathy Ferone
Phone #	(615) 449-0990
Email	cferone@tennesseeorthopedics.com
Fax #	(615) 449-0990

EQUIPMENT LOCATION: (Where purchased equipment will be located)

Address	1616 West Main Street
City, State & Zip	Lebanon, TN 37087

TAX INFORMATION:

(Please check the boxes)

Sales Tax Exempt: Please provide a current certification	Yes	<input checked="" type="radio"/> No
Property Tax Exempt: Based on Equipment Location: If exempt, please provide statutes/regulations	Yes	<input checked="" type="radio"/> No

RETURN TO:

Name	Rachel Foote
Address	20225 Watertown Blvd
City, State & Zip	Brookfield, WI 53045
Phone #	262-798-4520
Email	rachel.foote@ge.com



GE

Healthcare Financial Services

TAX RESPONSIBILITY LETTER

To: Tennessee Orthopedics, P.C.

Account Number: 8684376-001

From: GE Healthcare Financial Services
WV-490
P.O. Box 414
Milwaukee, WI 53201

We are writing this letter to remind you of your tax payment obligations as contractually provided for in the "Taxes" section of the lease or loan financing documentation that you have recently signed with General Electric Capital Corporation. Please note that you are responsible for the payment of all taxes relating to the equipment and the financing, except for those taxes imposed upon or measured by our net income. This may include property taxes, sales and use taxes, and sales and use taxes on property taxes, in addition to any other taxes listed in your agreement. This letter addresses questions and issues often raised concerning such taxes:

Property Tax:

Property taxes are assessed based on the equipment location on the tax assessment date. Each state determines its own assessment date based on its budget year. Please take a moment now and review the address below to make sure that the equipment is located at such address:

Tennessee Orthopedics
1616 West Main Street
Lebanon, TN 37087

In the event of any discrepancies, please contact Customer Service immediately at 1-800-225-7480.

Please note that you cannot relocate the equipment from the above address unless you first obtain our written consent to such relocation. Any such request should be on company letterhead, and include the proposed date of the move and the complete address of the proposed new equipment location (city, county, state and zip code).

If you believe that you are exempt from paying property or any other taxes for which you are obligated to pay under the terms of your agreement, please provide us (at the address listed above) with a copy of the relevant exemption certificate or statute or other legal authority. However, please note that this certificate may not exempt you from reimbursing us for property or other taxes on the equipment or the transaction, as some jurisdictions do not accept a "flow through" exemption. This means that the relevant taxing authority will look to GE for payment, regardless of your exemption status.

☐ Please check here if property tax exemption status is applicable to you.

Account Number: 8684376-001

Sales & Use Tax on Property Tax:

In some states, Sales & Use Tax is required to be assessed on property tax billings. This is due to property tax reimbursement being included as part of the rental consideration under the relevant state law, meaning that property tax is considered a part of our gross receipts under the financing agreement and a part of the payments due thereunder.

Sales & Use Tax:

We are also required in various states to collect a Sales or Use tax on leases and installment sale agreements. If you are exempt from the Sales or Use tax please include a copy of the certificate with your signed copy of this letter that you return to us as requested below

Please sign and return this Tax Responsibility Letter indicating that you have read and understand your tax responsibilities as set forth in your agreement and as described herein.

Please note that nothing herein is intended to amend, supplement, waive or otherwise modify any of the terms and conditions of your financing documents, and in the event of any conflict between the provisions hereof and the terms and conditions of such documents, the terms and conditions of such documents shall control. Nothing herein should be deemed, or is intended in any way, to constitute tax advice of any kind, for which advice you should consult your own tax advisors.

We appreciate your help and attention in this matter. If you have any questions, please call Customer Service at 1-800-225-7480.

Tennessee Orthopedics, P.C.


Customer's Signature

STEPHEN NEELY, MD
Authorized Name (Please Print)

(615) 449-0990
Phone Number

PRESIDENT
Title (Please Print)

6-23-11
Date

N/A
General Delivery E-Mail Address for your facility

CFERONE@TENNESSEORTHOPEDICS.COM
Your E-Mail Address

13118

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
2948143		6/24/11	500.00		500.00

CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT
8/29/11	13118	GE Healthcare Financial Svs.		\$500.00

TENNESSEE ORTHOPEDICS P.C.

1616 W. MAIN ST.
LEBANON, TN 37087-3100
(615) 449-0990

WILSON BANK & TRUST
LEBANON, TN 37087
87-352/641

13118

Check Number: 13118

DATE
Jun 29, 2011

AMOUNT


\$ 500.00



Memo: 8684376-001
Five Hundred and 00/100 Dollars

PAY
TO THE
ORDER
OF:

GE Healthcare Financial Svs.
Attn: Rachel Foote
20225 Watertower Blvd
Brookfield, WI 453045


AUTHORIZED SIGNATURE

⑈013118⑈ ⑆064103529⑆

0128520⑈



Support Summary

GE Healthcare

AGREEMENT# _____

BILLING ACCOUNT# 962099QUOTE# 052815NBV1Customer
Information:Name: TENNESSEE ORTHOPEDICSAddress: 1616 W MAIN STCity: LEBANONState: TN Zip: 37087

Is the above address the correct billing address for this Agreement?

☒ Yes☐ No

If no, please provide the correct billing address below:

Customer Billing
Information:

Name: _____

Address: _____

City: _____

State: _____ Zip: _____

Please provide the contact name and email address of the following person(s):

1. To be notified when this Agreement is processed:
2. To receive all invoices electronically via email:

Contact Name:

Tosha Smart

Email address:

Tosha.Smart@tennesseeorthopedics.com

The support and prices set forth below are valid provided the Customer signs and returns this Support Summary to GE Healthcare by 6/25/15.

TERM: The term of this Agreement is 84 months, commencing on the LATER OF: (a) End of Warranty (month/day/year) if Customer signs and returns this Agreement within fifteen (15) calendar days of the aforementioned date; or (b) the date of signature below if Customer does not sign and return this Agreement within fifteen (15) calendar days of the aforementioned date ("Commencement Date").

ANNUAL NORMAL FIXED CHARGES: See Schedule A for annual charges and start dates for each item of equipment. Charges are based on equipment inventory and coverage levels as of the Agreement start date and are subject to change to reflect inventory and coverage modifications, variable charges and other adjustments as specified in this Agreement.

PAYMENT PERIODS: Monthly - Advance Normal Fixed Charges are payable in advance in 84 installments as follows: (1-84, \$8,243.50), plus applicable taxes and subject to adjustment as provided in the Agreement. The above is for illustrative purposes only and may change based upon additions or deletions to covered equipment inventory, inflation adjustments or other modifications permitted by this Agreement. You will be billed for Services beginning with the Commencement Date. Payment will be due the first of each month. If the Commencement Date is not the first of the month, the first and last payments will be prorated accordingly. This may increase the total number of installment payments by one (1), but will not increase the total Normal Fixed Charges.

EQUIPMENT COVERAGE: See Schedule(s) attached to this Support Summary for the description of the equipment, Service coverage and hours, and equipment-specific prices applicable to this Support Summary.

AGREEMENT: This Agreement (as defined below) is by and between the "Customer" and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as the GE Healthcare (1) Support Summary, (2) Schedule(s) referred to herein that identifies the equipment as well as the Service offerings purchased by Customer, (3) the applicable Statement(s) of Service Deliverables for such Service offerings, (4) the Service Terms and Conditions and (5) the General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above. This Agreement constitutes the complete and final agreement of the parties relating to GE Healthcare's delivery of the Services identified in this Support Summary. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or other forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and providing information as requested in the highlighted areas of this Support Summary) will be void. This Agreement is not tied to an umbrella purchasing agreement or other group purchasing agreement unless expressly indicated.

Electronic Funds Transfer Authorized?

☐ Yes☒ No**PAYMENT TERMS:** Payment is due within thirty (30) days of invoice date.**PURCHASE ORDER:** Is a purchase order required for proper payment of this Agreement?☐ Yes☒ No

PO# _____ (please attach copy)

PO Expiration Date _____

Each party has caused this Agreement to be signed by its authorized representative on the date set forth below.

CUSTOMER

Signature: Tosha SmartPrint Name: Tosha SmartTitle: AdministratorDate: 6/15/15

GE HEALTHCARE

Signature: Julian EdwardsPrint Name: Julian EdwardsTitle: HSAMDate: 6/30/15

Prepared By: _____



Support Summary

GE Healthcare

AGREEMENT# _____

BILLING ACCOUNT# **962099**

QUOTE# **052815N8V1**

**Customer
Information:**

Name: **TENNESSEE ORTHOPEDICS**
Address: **1616 W MAIN ST**
City: **LEBANON**

State: **TN** Zip: **37087**

Is the above address the correct billing address for this Agreement? ☐ Yes ☐ No If no, please provide the correct billing address below:

**Customer Billing
Information:**

Name: _____
Address: _____
City: _____ State: _____ Zip: _____

Please provide the contact name and email address of the following person(s):

1. To be notified when this Agreement is processed:
2. To receive all invoices electronically via email:

Contact Name:

Email address:

The support and prices set forth below are valid provided the Customer signs and returns this Support Summary to GE Healthcare by 6/25/15.

TERM: The term of this Agreement is **84** months, commencing on the LATER OF: (a) **End of Warranty** (month/day/year) if Customer signs and returns this Agreement within fifteen (15) calendar days of the aforementioned date; or (b) the date of signature below if Customer does not sign and return this Agreement within fifteen (15) calendar days of the aforementioned date ("Commencement Date").

ANNUAL NORMAL FIXED CHARGES: See Schedule A for annual charges and start dates for each item of equipment. Charges are based on equipment inventory and coverage levels as of the Agreement start date and are subject to change to reflect inventory and coverage modifications, variable charges and other adjustments as specified in this Agreement.

PAYMENT PERIODS: Monthly - Advance Normal Fixed Charges are payable in advance in **84** installments as follows: **(1-84, \$8,243.50)**, plus applicable taxes and subject to adjustment as provided in the Agreement. The above is for illustrative purposes only and may change based upon additions or deletions to covered equipment inventory, inflation adjustments or other modifications permitted by this Agreement. You will be billed for Services beginning with the Commencement Date. Payment will be due the first of each month. If the Commencement Date is not the first of the month, the first and last payments will be prorated accordingly. This may increase the total number of installment payments by one (1), but will not increase the total Normal Fixed Charges.

EQUIPMENT COVERAGE: See Schedule(s) attached to this Support Summary for the description of the equipment, Service coverage and hours, and equipment-specific prices applicable to this Support Summary.

AGREEMENT: This Agreement (as defined below) is by and between the "Customer" and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as the GE Healthcare (1) Support Summary, (2) Schedule(s) referred to herein that identifies the equipment as well as the Service offerings purchased by Customer, (3) the applicable Statement(s) of Service Deliverables for such Service offerings, (4) the Service Terms and Conditions and (5) the General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above. This Agreement constitutes the complete and final agreement of the parties relating to GE Healthcare's delivery of the Services identified in this Support Summary. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or other forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and providing information as requested in the highlighted areas of this Support Summary) will be void. This Agreement is not tied to an umbrella purchasing agreement or other group purchasing agreement unless expressly indicated.

Electronic Funds Transfer Authorized? ☐ Yes ☐ No

PAYMENT TERMS: Payment is due within thirty (30) days of invoice date.

PURCHASE ORDER: Is a purchase order required for proper payment of this Agreement? ☐ Yes ☐ No

PO# _____ (please attach copy) PO Expiration Date _____

Each party has caused this Agreement to be signed by its authorized representative on the date set forth below.

CUSTOMER

Signature: _____
Print Name: _____
Title: _____
Date: _____

GE HEALTHCARE

Signature: _____
Print Name: _____
Title: _____
Date: _____
Prepared By: _____



General Terms and Conditions

GE Healthcare

These GE Healthcare General Terms and Conditions supplement and incorporate by reference the GE Healthcare Quotation that identifies the Product and/or Service offering purchased or licensed by Customer and the following documents, as applicable, if attached to or referenced in the Quotation: the GE Healthcare (i) Warranty(ies); (ii) Additional Terms and Conditions or Statement of Service Deliverables and Product Schedule; and (iii) Product or Service Terms and Conditions, (collectively, referred to as the "Agreement").

References herein to "Products" and "Services" mean the Products (including equipment and software) and Services identified on the applicable GE Healthcare Quotation. References herein to "Healthcare IT Products" are (i) those software products identified in the Quotation as a "Centricity" product, any third party software licensed for use in connection with the Centricity software, all hardware used to operate the Centricity or the third party software, and services provided with respect to the implementation, installation or support and maintenance of the Centricity or the third party software, and/or (ii) any software, product or service that is included in a Quotation which Quotation is designated as an "Healthcare IT Quotation".

1. General Terms.

1.1. Confidentiality. Each party will treat the terms of this Agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat GE Healthcare's (and GE Healthcare's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this Agreement or as required by law (with reasonable prior notice to GE Healthcare) or as is required by the U.S. Federal government in its capacity as a customer. The receiving party shall have no obligation with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this Agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure. GE Healthcare understands that Customer may be subject to State Open Records laws. Customer shall not be prohibited from complying with such Open Records laws if required to do so; however, Customer shall (a) promptly notify GE Healthcare in writing of any such Open Records laws requests, (b) give GE Healthcare sufficient time to challenge the request or redact any necessary information to the extent permitted by law, and (c) only provide such information as is necessary to comply with such Open Records laws.

1.2. Governing Law. The law of the State where the Product is installed or the Service is provided will govern this Agreement.

1.3. Force Majeure. Neither party is liable for delays or failures in performance (other than payment obligations) under this Agreement due to a cause beyond its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

1.4. Assignment; Use of Subcontractors. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this Agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignee agrees, in writing, to be bound by the terms of this Agreement, including the payment of any existing or outstanding fees and invoices. Subject to such limitation, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement shall not be terminable in the event of any Customer stock or asset sale, merger, acquisition or change in control, unless otherwise expressly agreed to in writing by GE Healthcare. GE Healthcare may hire subcontractors to perform work under this Agreement (including, but not limited to, work that involves access to Protected Health Information as such term is defined in 45 C.F.R. § 160.103 ("PHI")), provided that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this Agreement.

1.5. Amendment; Waiver; Survival. This Agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this Agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this Agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

1.6. Termination. If either party materially breaches this Agreement and the other party seeks to terminate this Agreement for such breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have sixty (60) days following receipt of such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may terminate this Agreement by written notice to the breaching party. If GE Healthcare determines in good faith at any time that there are material credit issues, with this Agreement, then GE Healthcare may terminate this Agreement (including warranty services hereunder) immediately upon written notice to Customer. For the avoidance of doubt, this Agreement is not terminable for convenience and may only be terminated in accordance with this Agreement.

1.7. Entire Agreement and Waiver of Reliance. This Agreement constitutes the complete and final agreement of the parties relating to the Products and/or Services identified in the Quotation. The parties agree that they have not relied, and are not relying, on any oral or written promises, terms, conditions, representations or warranties, express or implied, outside those expressly stated or incorporated by reference in this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms,

nor the delivery of the Products and/or Services, shall constitute an agreement by either party to any such terms. The parties agree that any provision in this Agreement in 'all caps' type satisfies any requirements at law or in equity that provisions be conspicuously marked.

2. Compliance.

2.1. Generally. Each party will comply with the requirements of Federal and State laws and regulations that are applicable to such party. This Agreement is subject to GE Healthcare's on-going determination that Customer and this Agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. CUSTOMER ACKNOWLEDGES THAT THE PRODUCTS ARE OR MAY BE SUBJECT TO REGULATION BY THE FDA AND OTHER FEDERAL OR STATE AGENCIES. CUSTOMER SHALL NOT USE OR PERMIT THE PRODUCTS TO BE USED IN ANY MANNER THAT DOES NOT COMPLY WITH APPLICABLE FDA OR OTHER REGULATIONS OR FOR ANY NON-MEDICAL, ENTERTAINMENT, OR AMUSEMENT PURPOSES. Customer shall not use or permit the Product to be used or operated by any person who does not have sufficient knowledge to competently perform the required task and who is not fully trained on the operation of the Product. Customer is solely responsible for ensuring that Customer and its employees, licensed and unlicensed healthcare staff, representatives, agents and/or contractors who operate, maintain and/or have access to the Products and/or Services, excluding GE Healthcare employees, representatives, agents and/or contractors ("Customer Personnel") are properly trained and fully competent on the operation of the Product. Further, Customer represents that it is purchasing the Products for its own use consistent with the terms of this Agreement and that it does not intend to re-sell the Products to any other party or to export the Products outside the country to which GE Healthcare delivers the Products.

2.2. Cost Reporting. Customer represents and warrants that it shall comply with (a) the applicable requirements of the Discount Statutory Exception, 42 U.S.C. 1320a-7b(b)(3)(A), and the Discount Safe Harbor, 42 C.F.R. § 1001.952(h), with respect to any discounts Customer may receive under this Agreement and (b) the Warranties Safe Harbor, 42 C.F.R. § 1001.952(g), with respect to any price reductions of an item (including a free item) which were obtained as part of a warranty under this Agreement. Customer agrees that, if Customer is required to report its costs on a cost report, then (i) the discount must be based on purchases of the same good bought within a fiscal year; (ii) Customer must claim the benefit in the fiscal year in which the discount is earned or in the following year; (iii) Customer must fully and accurately report the discount in the applicable cost report; and (iv) Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. If Customer is an individual or entity in whose name a claim or request for payment is submitted for the discounted items, the discount must be made at the time of the sale of the good; and Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. GE Healthcare agrees to comply with the applicable requirements for sellers or offerors under the Discount Safe Harbor, as appropriate.

2.3. Network Security and Site Access Control. Customer shall be solely responsible for establishing and maintaining network security, virus protection, backup and disaster recovery plans for any data, images, software or equipment. GE Healthcare shall not be responsible for any recovery of lost data or images. Customer shall comply with all applicable laws and regulations related to site access control.

2.4. Environmental Health and Safety. GE Healthcare shall have no obligation to provide Products and/or perform Services until Customer (i) provides and maintains a suitable, safe and hazard-free location and environment for the GE Healthcare Products and personnel performing Services in material compliance with all applicable Federal, State, and local requirements, as well as any written requirements provided by GE Healthcare; (ii) performs GE Healthcare recommended routine maintenance and operator adjustments on the Product; and (iii) ensures that any service not provided by GE Healthcare is performed, and GE Healthcare Products are used, in accordance with applicable user documentation.

Customer shall provide written information to GE Healthcare personnel who will be present on Customer's site about Customer's safety procedures and practices as well as a list of any hazardous materials, such as asbestos, lead or mercury, on or near Customer's site that GE Healthcare personnel may come in contact with and any associated Safety Data Sheets. Customer shall be responsible for taking all necessary actions to properly abate, remove and/or remediate any hazardous conditions or materials, including removing blood, body fluids and other potentially infectious materials. GE Healthcare shall have no responsibility to abate, or liability for, any existing hazardous conditions at Customer site. Customer shall be responsible for proper management, storage and disposal of all service and/or installation-related waste, unless GE Healthcare is legally required to take back the materials (e.g., batteries, WEEE, packaging).

2.5. Parts Not Supplied By GE Healthcare. GE Healthcare recommends the use of parts that it has (i) validated through configuration and (ii) received from authorized suppliers. GE Healthcare is not responsible for the quality of parts supplied by third parties to Customer. GE Healthcare cannot assure Product functionality or performance when non-GE Healthcare parts are used on the Product.

2.6. Training. Any Product training identified in the Quotation shall be in accordance with GE Healthcare's then-current training offerings and terms. Customer agrees that completion of GE Healthcare's training offerings does not guarantee that Customer and Customer Personnel are fully and completely trained on the use, maintenance, and operation of the Product or that completion of GE Healthcare's training will satisfy any licensure and/or accreditation standards. Customer further agrees that it is Customer's sole and non-delegable duty to ensure that Customer and Customer Personnel are properly trained on and fully qualified in the use and operation of the Product. Unless otherwise stated in the training catalog description, training must be completed by Customer within twelve (12) months after (i) the date of Product delivery for training purchased with Products; (ii) the start date for Services for training purchased with Services; or (iii) the date Customer purchases training if such training is not purchased with Products and/or Services. If training is not completed within the applicable time period due to no fault of GE Healthcare, GE Healthcare's obligation to provide the training will expire without refund.

2.7. Medical Diagnosis and Treatment. All clinical and medical treatment and/or diagnostic decisions are the sole responsibility of Customer and Customer Personnel. Customer agrees that GE Healthcare is in no way responsible for the clinical and medical treatment and/or diagnostic decisions made by Customer and Customer Personnel.

2.8. Use of Data.

(a) Protected Health Information. To the extent GE Healthcare creates, receives, maintains, transmits or otherwise has access to any PHI in the course of performing under this Agreement, GE Healthcare shall only use and disclose such PHI as permitted by the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (August 21, 1996), its implementing regulations, and the Health Information Technology for Economic and Clinical Health ("HITECH") Act and its implementing regulations (collectively, "HIPAA"), and the applicable Business Associate Agreement between the Parties.

(b) Other Information. Customer agrees that GE Healthcare may also create, receive, maintain, transmit and otherwise have access to machine, technical, system, usage and related information that is not PHI, including, but not limited to, information about Customer's Product, Service, system and software, that is gathered periodically to facilitate the provision of Product support, consulting, training and other services to Customer (if any), and to verify compliance with the terms of this Agreement. GE Healthcare or its agents may use such information to provide, develop or improve GE Healthcare's products or services.

2.9. Compliance with Customer Policies. GE Healthcare will use commercially reasonable efforts to respect Customer policies to the extent that such policies apply to GE Healthcare under this Agreement, and do not materially contradict GE Healthcare policies, provided that Customer furnishes to GE Healthcare a complete copy of said policies prior to GE Healthcare's commencement of performance under this Agreement. Under no circumstances, however, will GE Healthcare's failure, or the failure of GE Healthcare's employees or contractors, to respect Customer policies constitute a material breach by GE Healthcare under this Agreement, unless such failure is willful and materially and adversely affects GE Healthcare's ability to perform its obligations under this Agreement.

2.10. Insurance. GE Healthcare shall maintain insurance coverage in accordance with its standard certificate of insurance, a copy of which is available upon Customer's request.

2.11. Excluded Provider. GE Healthcare represents that, to its knowledge, neither it nor its employees performing services under this Agreement have been excluded from participation in any Federal Healthcare Program. In the event an employee performing services under this Agreement is excluded, GE Healthcare will replace such employee within a commercially reasonable time. In the event GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

3. Disputes; Liability; and Indemnity.

3.1. Waiver of Jury Trial. UNLESS OTHERWISE EXPRESSLY PROHIBITED BY APPLICABLE LAW, EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT.

3.2. Limitation of Liability. GE HEALTHCARE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR ANY DIRECT DAMAGES INCURRED BY CUSTOMER FROM ANY CAUSE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE, ARISING UNDER THIS AGREEMENT OR RELATED HERETO, SHALL NOT EXCEED: (A) FOR PRODUCTS OR SERVICES, OTHER THAN SERVICES UNDER AN ANNUAL SERVICE CONTRACT, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR ANNUAL SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER IN ACCORDANCE WITH THIS AGREEMENT. THE LIMITATION OF LIABILITY SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.3. Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT (OR OTHERWISE IN CONNECTION WITH THE PRODUCTS AND SERVICES) FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE. THE EXCLUSION OF DAMAGES SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.4. IP Indemnification. GE HEALTHCARE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS CUSTOMER FROM ANY THIRD PARTY CLAIMS FOR INFRINGEMENT OF UNITED STATES INTELLECTUAL PROPERTY RIGHTS ARISING FROM CUSTOMER'S USE OF GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION (COLLECTIVELY, "INFRINGING PRODUCT") IN ACCORDANCE WITH THEIR SPECIFICATIONS AND WITHIN THE LICENSE SCOPE GRANTED IN THIS AGREEMENT. IF ANY SUCH CLAIM MATERIALLY INTERFERES WITH CUSTOMER'S USE OF SUCH EQUIPMENT AND/OR SOFTWARE, GE HEALTHCARE SHALL, AT ITS OPTION: (I) SUBSTITUTE FUNCTIONALLY EQUIVALENT NON-INFRINGING PRODUCTS; (II) MODIFY THE INFRINGING PRODUCT SO THAT IT NO LONGER INFRINGES BUT REMAINS FUNCTIONALLY EQUIVALENT; (III) OBTAIN FOR CUSTOMER AT GE HEALTHCARE'S EXPENSE THE RIGHT TO CONTINUE TO USE THE INFRINGING PRODUCT; OR (IV) IF THE FOREGOING ARE NOT COMMERCIALY REASONABLE, REFUND TO CUSTOMER THE PURCHASE PRICE, AS DEPRECIATED (BASED ON FIVE (5) YEAR STRAIGHT-LINE DEPRECIATION), FOR THE INFRINGING PRODUCT. ANY SUCH CLAIMS ARISING FROM CUSTOMER'S USE OF SUCH INFRINGING PRODUCT AFTER GE HEALTHCARE HAS NOTIFIED CUSTOMER TO DISCONTINUE USE OF SUCH INFRINGING PRODUCT AND OFFERED ONE OF THE REMEDIES SET FORTH IN CLAUSES (I) THROUGH (IV) ABOVE ARE THE SOLE RESPONSIBILITY OF CUSTOMER. THIS SECTION REPRESENTS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY (AND GE HEALTHCARE'S SOLE AND EXCLUSIVE LIABILITY) REGARDING ANY INFRINGEMENT CLAIM ASSOCIATED WITH SUCH INFRINGING PRODUCT. THE ABOVE INDEMNIFICATION OBLIGATION IS CONDITIONAL UPON CUSTOMER PROVIDING GE HEALTHCARE PROMPT WRITTEN NOTICE OF THE INFRINGEMENT CLAIM AFTER RECEIVING NOTICE OF SUCH CLAIM, ALLOWING GE HEALTHCARE TO CONTROL THE DEFENSE OF SUCH CLAIM, AND REASONABLY COOPERATING WITH GE HEALTHCARE IN SUCH DEFENSE. GE HEALTHCARE'S RIGHT TO CONTROL THE DEFENSE AND DISPOSITION OF THE INFRINGEMENT CLAIM SHALL INCLUDE THE RIGHT TO SELECT COUNSEL TO REPRESENT CUSTOMER AT GE HEALTHCARE'S EXPENSE; PROVIDED, HOWEVER, THAT CUSTOMER MAY RETAIN ADDITIONAL COUNSEL AT CUSTOMER'S EXPENSE. ANY EXPENSES, INCLUDING LEGAL FEES AND COSTS, INCURRED BY CUSTOMER PRIOR TO TENDERING CONTROL OF THE DEFENSE TO GE HEALTHCARE SHALL NOT BE REIMBURSABLE BY GE HEALTHCARE. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, GE HEALTHCARE SHALL NOT HAVE ANY OBLIGATION TO CUSTOMER HEREUNDER FOR INFRINGEMENT CLAIMS BASED ON OR RESULTING FROM: (A) USE OF SUCH INFRINGING PRODUCT IN COMBINATION WITH ANY COMPUTER SOFTWARE, TOOLS, HARDWARE, EQUIPMENT, MATERIALS, OR SERVICES, NOT FURNISHED OR AUTHORIZED IN WRITING FOR USE BY GE

HEALTHCARE; (B) USE OF SUCH INFRINGING PRODUCT IN A MANNER OR ENVIRONMENT OR FOR ANY PURPOSE FOR WHICH GE HEALTHCARE DID NOT DESIGN OR LICENSE IT, OR IN VIOLATION OF GE HEALTHCARE'S USE INSTRUCTIONS; OR (C) ANY MODIFICATION OF SUCH INFRINGING PRODUCT BY CUSTOMER OR ANY THIRD PARTY. GE HEALTHCARE SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE OR SETTLEMENT OR CLAIM MADE BY CUSTOMER WITHOUT GE HEALTHCARE'S WRITTEN CONSENT. THIS INDEMNIFICATION OBLIGATION IS EXPRESSLY LIMITED TO THE GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION.

3.5. General Indemnification. GE HEALTHCARE AGREES TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY THIRD PARTY DAMAGES CUSTOMER BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY A MANUFACTURING DEFECT, DESIGN DEFECT, NEGLIGENT FAILURE TO WARN, NEGLIGENT INSTALLATION, OR NEGLIGENT SERVICE WITH RESPECT TO PRODUCTS DESIGNED AND MANUFACTURED BY GE HEALTHCARE AND SUPPLIED TO CUSTOMER UNDER THIS AGREEMENT. GE HEALTHCARE SHALL HAVE NO OBLIGATION TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY DAMAGES CAUSED BY (I) CUSTOMER'S FAULT OR ANY LEGAL EXPENSES INCURRED BY CUSTOMER IN DEFENDING ITSELF AGAINST SUITS SEEKING DAMAGES CAUSED BY CUSTOMER'S FAULT AND/OR (II) ANY MODIFICATION, CHANGES AND/OR ALTERATIONS TO THE GE HEALTHCARE PRODUCT BY CUSTOMER OR A THIRD PARTY NOT AUTHORIZED OR APPROVED IN WRITING BY GE HEALTHCARE.

CUSTOMER AGREES TO RELEASE, INDEMNIFY AND HOLD GE HEALTHCARE HARMLESS FROM ANY THIRD PARTY DAMAGES THAT GE HEALTHCARE BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY CUSTOMER'S AND/OR CUSTOMER PERSONNEL (I) MEDICAL DIAGNOSIS OR TREATMENT DECISIONS; (II) MISUSE OR NEGLIGENT USE OF THE PRODUCT; AND/OR (III) USE OF THE PRODUCT IN A MANNER OR ENVIRONMENT, OR FOR ANY PURPOSE, FOR WHICH GE HEALTHCARE DID NOT DESIGN IT, OR IN VIOLATION OF GE HEALTHCARE'S RECOMMENDATIONS OR INSTRUCTIONS ON USE.

THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS SECTION 3.5 ARE CONDITIONAL UPON THE INDEMNIFIED PARTY PROVIDING THE INDEMNIFYING PARTY PROMPT WRITTEN NOTICE OF THE THIRD-PARTY CLAIM AFTER RECEIPT OF NOTICE OF SUCH CLAIM, ALLOWING THE INDEMNIFYING PARTY TO CONTROL THE DEFENSE AND DISPOSITION OF SUCH CLAIM, AND REASONABLY COOPERATING WITH THE INDEMNIFYING PARTY IN THE DEFENSE. THE INDEMNIFYING PARTY SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE MADE BY THE INDEMNIFIED PARTY OR ITS AGENTS WITHOUT THE INDEMNIFYING PARTY'S CONSENT.

4. Payment and Finance.

4.1. Generally. The payment and billing terms for the Product(s) and/or Service(s) are stated in the Quotation.

4.2. Late Payment. Failure to make timely payment is a material breach of this Agreement, for which (in addition to other available remedies) GE Healthcare may suspend performance under the GE Healthcare agreement at issue or suspend the provision of support and maintenance or licenses for the Product(s) licensed or sold under that agreement until all past due amounts are brought current. If GE Healthcare so suspends, GE Healthcare will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of one-and-one-half percent (1.5%) per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits and/or unapplied cash that may be due to Customer under an agreement may be applied first to any outstanding balance. If Customer has a good faith dispute regarding payment for a particular Product (or subsystem thereof) or Service, Customer shall notify GE Healthcare in writing of such dispute within twenty (20) days of the invoice date and shall work with GE Healthcare in good faith to promptly resolve such dispute. GE Healthcare may revoke credit extended to Customer and designate Customer and all agreements with Customer to be on credit hold because of Customer's failure to pay for any Products or Services when due, and in such event all subsequent shipments and Services shall be paid in full on receipt.

4.3. Taxes. Prices do not include sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Customer shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest or penalty by any taxing authority, Customer shall reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

5. Loaner Systems. If GE Healthcare provides a loaner system ("Loaner") to Customer pursuant to the terms of this Agreement, such Loaner shall be subject to the following provisions: (i) the Loaner shall be for Customer's temporary use, and Customer agrees to keep the Loaner at the location identified in the Quotation, and shall not move the Loaner to another location without GE Healthcare's prior written consent; (ii) Customer agrees to return the Loaner to GE Healthcare on or before the date on which GE Healthcare returns Customer's Product to Customer, and if Customer does not return the Loaner within such time period, GE Healthcare may repossess the Loaner with ten (10) days prior written notice or invoice Customer for the full list price of the Loaner; (iii) the Loaner, and all programs, information, data, business information, or other information pertaining to such Loaner shall remain GE Healthcare property; (iv) title remains with GE Healthcare, but risk of loss passes to Customer upon delivery of the Loaner; (v) Customer agrees to maintain the Loaner in proper operating condition and in accordance with GE Healthcare's operating instructions and return it to GE Healthcare in this condition, normal wear and tear excepted; (vi) Customer will not repair, or permit others to repair, the Loaner without the prior written consent of GE Healthcare; (vii) Customer agrees to furnish GE Healthcare reasonable access to the Loaner with prior notification; (viii) as Customer does not own the Loaner and is not paying GE Healthcare for its use, it is Customer's responsibility to ensure that any charge or claim submitted by Customer to a government healthcare program or patient is submitted accordingly; (ix) prior to returning the Loaner to GE Healthcare, Customer shall ensure the complete deletion of any and all information, including PHI, that may have been stored in the Loaner, or any of its accessories; (x) such deletion shall be completed

in accordance with any user instructions provided by GE Healthcare and/or industry standards; (xi) in the event Customer is unable for technical reasons to complete the deletion, Customer shall provide immediate notice of this to GE Healthcare, and GE Healthcare staff shall use commercially reasonable efforts to facilitate the deletion of information; (xii) Customer agrees to indemnify GE Healthcare for any loss whatsoever resulting from any information that is not removed from the Loaner and GE Healthcare shall have no obligations whatsoever in connection with any information that is not properly removed from such Loaner by Customer. It is within GE Healthcare's sole discretion to provide Customer with a Loaner while warranty or Service repairs are ongoing. This provision is not applicable to GE Healthcare IT Products.



Service Terms and Conditions

GE Healthcare

These GE Healthcare Service Terms and Conditions supplement and incorporate by reference the GE Healthcare (i) Quotation that identifies the Service offering purchased by Customer; (ii) Statement of Service Deliverables; (iii) Product Schedule; and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement" or "Service Agreement").

- 1. Initial Inventory Verification.** Within approximately ninety (90) days of assuming initial Service responsibility, GE Healthcare will complete an inventory of the Product to ensure accuracy. Any Product that cannot be located will be removed from the Product Schedule. Following completion of the inventory, GE Healthcare will provide a copy of the revised Product Schedule for Customer's review and, upon Customer's signed acceptance, the Product Schedule will become final. Upon completion of the inventory, GE Healthcare will make the appropriate adjustments to the Total Normal Fixed Charges. "Total Normal Fixed Charges" means the total fixed amount to be paid under a Service Agreement. It does not include additional charges for services, other items not covered by the Service Agreement but requested by Customer, or any variable charges, if any. GE Healthcare reserves the right to perform periodic additional audits to confirm then-existing inventory.
- 2. Product Inspection.** Any Product covered under this Service Agreement must be in safe, normal operating condition and substantially in compliance with OEM specifications when added to the Product Schedule, and GE Healthcare will not be liable or responsible for any defect or malfunction that existed prior to addition to the Product Schedule. GE Healthcare may inspect any Product that has been without GE Healthcare warranty or Service Agreement coverage for more than thirty (30) days or after upgrades, modifications of peripheral equipment, and/or room moves. The Service Agreement will be effective for such Product only after a GE Healthcare service representative has determined its eligibility. If after such inspection, service or initial repair is required to reach a safe and normal operating condition or meet performance specifications, the cost will be separately invoiced to Customer at GE Healthcare's then-current list prices.
- 3. Modifications.** Customer is responsible for notifying GE Healthcare to the extent it proposes to add items to the Service Agreement. Customer agrees that changes to Products covered under the Service Agreement may require GE Healthcare to modify the price charged and/or the terms of the Service to be provided by GE Healthcare. If Customer purchases an upgrade for a Product during the term of the Service Agreement, GE Healthcare may modify the price of the Service Agreement for such Product. Any services provided by GE Healthcare at Customer's request that are not covered by the Service Agreement will be furnished at GE Healthcare's then-current list prices.
Individual Product(s) sold (not including a general assignment of this Service Agreement) or scrapped by Customer may be deleted from coverage under this Service Agreement with at least sixty (60) days' prior written notice to GE Healthcare of the Product(s) to be deleted and the effective date of such deletion, whereby GE Healthcare will decrease the price established in this Service Agreement by the portion of the existing price allocated to the deleted Product(s). Pricing adjustments shall take effect on the later of (a) the sixty (60) days' notice or (b) the date that the Product(s) is actually sold or scrapped from clinical use. After the date of any price adjustment for Product(s) deletion, neither party will have any further obligations under this Service Agreement for Service with respect to the deleted Product(s) except for (i) payment obligations arising prior to the date of the price adjustment and (ii) obligations, promises, or covenants contained in this Service Agreement that, by their terms, must extend beyond the date of the price adjustment. For sake of clarification of this paragraph, Customer shall have no right to terminate this Service Agreement at its convenience, or remove any Product from this Service Agreement at its convenience.
- 4. Inflation Adjustment.** After the first year of the Service Agreement, but no more than annually, GE Healthcare may adjust the Service fees by an amount no more than the prior twelve (12)-month increase in the U.S. Bureau of Labor Statistics (BLS) Employment Cost Index (ECI) for "Installation, Maintenance and Repair (not seasonally adjusted, total compensation)", or any replacement index as determined by the BLS. This adjustment shall be no more than five percent (5%) annually and Customer will be notified at least sixty (60) days prior to any adjustment.
- 5. Warranties.** GE Healthcare warrants that its Services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming Services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare. GE Healthcare may, at its sole discretion and subject to (i) availability; (ii) any applicable regulatory approvals; and (iii) Section 5 of the GE Healthcare General Terms and Conditions, provide Customer with a comparable loaner system during periods of extended Service to the GE Healthcare Product. The foregoing Service remedies are Customer's sole and exclusive remedies (and GE Healthcare's sole and exclusive liabilities) for Service warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to re-perform any non-conforming Services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's claim. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE WILL APPLY. GE Healthcare may use refurbished or non-OEM parts during Service. Any part for which GE Healthcare has supplied a replacement (excluding biomed parts, which shall be properly disposed of by Customer) shall become GE Healthcare property.
- 6. Software License.** For any software provided by GE Healthcare under this Service Agreement, as set forth in the applicable Statement of Service Deliverables attached hereto, the license for such software shall be the software license provided with the applicable software. Customer acknowledges that GE Healthcare may request Customer and Customer Personnel to register online as a licensee for receipt of certain service software and related Documentation.
- 7. Independent Contractor.** GE Healthcare and Customer are independent contractors and nothing contained in this Service Agreement is intended nor shall it be construed as creating a fiduciary relationship, partnership or joint venture between the parties, except as otherwise agreed in writing by the parties.

8. Customer Responsibilities. In addition to any other Customer responsibilities throughout this Service Agreement, Customer is responsible for the following:

- Ensuring satisfactory power quality and grounding for all Products to operate within performance specifications. GE Healthcare is not responsible for repairs due to power anomalies (e.g., power surge, blackouts). Any such service can be provided at GE Healthcare's then-current list prices. Customer shall also ensure electrical panel labeling in compliance with applicable regulations.
- Providing all operating and maintenance manuals, warranty information, OEM maintenance requirements, and related materials, including diagnostic software and other tools, pertaining to non-GE Healthcare products. GE Healthcare will acquire any additional necessary operating and maintenance materials that are available at Customer's expense. All such operating and maintenance materials will remain or become Customer property.
- Repair, replacement, or disposal of any accessories, power supply equipment, uninterruptible power supplies or consumable items, including but not limited to: batteries, cassettes, copier drums, electrodes, fiber optics, fiber optic bundles, filters, laser tubes, film magazines, patient cables, radiation sources, refrigeration compressors, styli, radiation shields, overhead lights, packaging or software, unless GE Healthcare is legally required to take back the materials or otherwise agrees to do so in writing. Additionally, Customer is responsible for any cosmetic repairs to the Products.
- Updates for non-GE Healthcare manufactured Products, as are subject to the policies and conditions imposed by the relevant OEM.
- Prior to the commencement of any Services hereunder, provide to GE Healthcare (and those GE Healthcare personnel that will be working on Customer's site) written information about Customer's safety procedures and practices (e.g., emergency, radiation safety, LOTO) as well as a list of all chemicals or hazardous materials (e.g., asbestos, lead, mercury) located on or near Customer's site that GE Healthcare's personnel may come in contact with and any associated Safety Data Sheets. Customer shall take all necessary and legally required precautions to protect the health and safety of GE Healthcare personnel who will be performing service at the site, including taking all necessary actions to properly abate, remove and/or remediate any hazardous conditions or materials (including removing any blood, body fluids or other potentially infectious materials). GE Healthcare shall have no responsibility to abate, or liability for, any existing hazardous conditions at Customer site. Customer shall be responsible for proper management, storage and disposal of all service related waste. Customer shall maintain any necessary licenses, permits and other approvals required to receive or use radioactive sources in performing Services and will provide radioactive sources needed for calibration and performance checks.
- System Database Management (backup, data integrity, archiving, etc.) and network security (maintaining secure network, network security components, firewalls and security related hardware and/or software). GE Healthcare shall not be responsible for any recovery of lost data or images.
- Designating a Customer employee (and an alternate) to act as Customer's Product administrator. Such employees will have the necessary technical knowledge and expertise to reasonably assist GE Healthcare technical personnel in performing Service, and will place service calls in accordance with those GE Healthcare protocols provided to Customer in writing.

9. End of Product Support Announcement (Non-GE Healthcare Product). Customer agrees to provide GE Healthcare with all information Customer receives regarding end of Product life announcements. Regardless of whether Customer provides GE Healthcare with proper notification from the OEM, GE Healthcare may, at its option, remove any end of life Product from the Product Schedule effective as of the end of Product life date announced by the OEM. Alternatively, the parties may agree to move such Product to a GE Healthcare end of life offering if such offering is available for the specific Product.

10. End of Support Announcement (GE Healthcare Product). If GE Healthcare announces to its customers that it will no longer offer support for a Product or component ("End of Life"), then upon at least twelve (12) months' prior written notice to Customer, GE Healthcare may, at its option, remove any such item from all GE Healthcare Agreements, with an appropriate adjustment of charges, without otherwise affecting such Agreements. GE Healthcare will use commercially reasonable efforts to continue its support obligations under the Agreement for any Product or component that is approaching its End of Life for as long as it is covered by the Agreement. Alternatively, the parties may agree to move such Product to a GE Healthcare end of life offering if such offering is available for the specific Product.

11. Connectivity (Applies Only to Products with InSite™ or iLink™). Customer will provide GE Healthcare with access via connection validated by GE Healthcare for the Product such as an internet connection, VPN persistent access, or other secure remote access reasonably requested by GE Healthcare to permit GE Healthcare to perform support Services and meet service levels, including remote diagnostic, monitoring and repair services. If Customer does not permit GE Healthcare to connect via a connection validated by GE Healthcare for the Product and the service representative must therefore be dispatched to the Customer site, then Customer will pay GE Healthcare at GE Healthcare's then-current standard applicable contract overtime rate for services performed by the service representative. Unless Customer specifically requests in writing that GE Healthcare disable the remote connection, the remote connection will continue to connect to Customer's Products following expiration of any Service Agreement. For Products not covered by a current Service Agreement, GE Healthcare disclaims any obligation to monitor such Products via a remote connection or advise Customer of any possible Product error or malfunction.

12. Return to Manufacturer Authorization ("RMA") / Repair Depot. If GE Healthcare, in its sole discretion, requires that Customer return Products for Service to the GE Healthcare Repair Depot, in lieu of GE Healthcare servicing on-site, such repair Service is included at no additional charge (excluding biomed, which may be charged). GE Healthcare will delete any patient data that is stored on compact systems returned to the GE Healthcare Repair Depot prior to sending the Product back to Customer. Customer is responsible for (i) backing up any information stored on the Products prior to shipment; and (ii) any damage incurred during shipment from Customer facility, to GE Healthcare Repair Depot. GE Healthcare will provide standard ground shipping on Products being returned from the GE Healthcare Repair Depot. If Customer requests expedited shipping on such Products, such costs and handling fees will be billed to Customer.

13. Exclusions. Unless expressly indicated on the Product Schedule, this Agreement does not cover:

- X-ray tubes, image intensifier tubes, chillers, detectors, crystals, probes, uninterruptible power supplies, user-replaceable parts and supplies (e.g., rubber and elastomer goods, such as breathing circuits, including filters, water traps, tubes, masks, and bags) user-

replaceable cartridges, and cosmetic upgrades or any other parts used to correct/enhance the aesthetic appearance of the Product; GE Healthcare will charge Customer separately for such items;

- Batteries (for diagnostic imaging products only---batteries are excluded unless it requires machine disassembly AND are specified to be replaced on the OEM planned maintenance procedures);
- Any defect or deficiency (including failure to conform to Product specifications and/or documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Product in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Product or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand, blood, bodily fluids, and other particles or debris;
- Payment or reimbursement of any facility costs arising from repair or replacement of the Product;
- Any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer;
- Expendable supply items;
- Stockpiling of replacement parts;
- Any non-GE Healthcare hardware or software that was not commercially available from the OEM on the date such hardware or software was installed, including but not limited to experimental and proprietary hardware or software;
- Service required under an OEM's warranty;
- Product upgrades, installations, certification surveys or Product relocation;
- Consultation, training or other assistance with Customer use, development, or modification of any items or materials, including software and protocols, not provided by GE Healthcare;
- Installation, including reusing existing facilities and temporary installation for testing, training, and other purposes;
- For MR systems, any defect or deficiency that results, in whole or in part, from failure of any water chiller system supplied by Customer or service to any water chiller systems supplied by Customer;
- Any GE Healthcare IT Products (as defined in the GE Healthcare General Terms and Conditions); and
- For network and antenna installations not provided by GE Healthcare or its authorized agent(s), network and antenna system troubleshooting will be billable at GE Healthcare's standard service rates.

14. Existing Service Arrangements. If Customer has service arrangements with other vendors for any Product, or if any Product is covered by a non-GE Healthcare warranty, the terms and conditions of those arrangements or warranties are not altered in any way by this Service Agreement nor is GE Healthcare assuming any obligations under those arrangements or warranties. The terms and conditions of this Service Agreement do not apply to Products covered by such arrangements or warranties until the expiration or legally proper termination of such arrangements or warranties. Customer agrees to pursue proper avenues for expeditious and legally permissible termination of any such service arrangements and not to take any steps to cause the premature termination of any such warranties. Products covered by another agreement as of the commencement date of this Service Agreement will be added to this Service Agreement on the day following the expiration of such other existing agreement. If Customer enters into a service arrangement with another vendor for any Product after signature of this Service Agreement, Customer shall either modify such agreement to commence after expiration of this Service Agreement, or terminate such other agreement promptly. If any Product is covered by a GE Healthcare warranty, the terms and conditions of the GE Healthcare warranty shall apply, but GE Healthcare reserves the right at its sole discretion to commence certain additional services or engage certain additional tools under this Service Agreement in preparation for warranty expiration at no additional cost to Customer.

15. Hourly Billed Services. Any services performed by GE Healthcare at the direction of Customer that are not covered by this Service Agreement are hourly-billed services and shall have a two (2) hour minimum requirement.

16. Updates and Upgrades. Any software "Update" shall be provided to Customer at no charge during the term of this Service Agreement. Any software "Upgrade" will be made available at GE Healthcare's then-current list price for the Upgrade at the time of its release, less any negotiated discount, if applicable. If Customer purchases any hardware or software Upgrade during the term of this Service Agreement, the Service price for such Product may be increased by GE Healthcare commensurate with such Upgrade upon prior written notice to Customer.

An "Update" is a change in the software that provides error corrections and/or enhances the functionality of a current software release. An update does not involve major changes or provide significant, new functional capabilities or applications, or changes to the software architecture or file structure. Updates may be identified by a number to the right of the first or second decimal point, such as x.1 or x.y.1.

An "Upgrade" is a change in the software that provides new functional capabilities or applications, enhancements and/or major changes to the software architecture or file structure along with the latest error corrections. Upgrades may be identified by a release number that is to the left of the first decimal point, such as 1.x.

17. Agency. Customer designates GE Healthcare as its duly authorized agent to act on Customer's behalf to conduct the following business matters: (a) negotiate and enter into service agreements for the Products covered in this Service Agreement; (b) obtain service support, parts, parts pricing, technical information (including manuals, software, etc.), service histories, and time and material cost for the Products covered in this Service Agreement; and (c) obtain or develop and negotiate and enter into training agreements for the Products covered in this Service Agreement. At GE Healthcare's request, the parties shall enter into a letter of agency covering the terms set forth in this section

18. Product Specific Schedules

18.1. Tube Support Specific Terms (Excluding C-Arms).

18.1.1. GE Healthcare Responsibilities: GE Healthcare will provide, on an exchange basis, tubes GE Healthcare normally sells to replace failed tubes in Customer's Product. As part of this Service, GE Healthcare will perform a basic Product inspection to verify the overall operation of the Product.

18.1.2. Customer Responsibilities: Customer will: (a) maintain a Product maintenance and repair program, including tube warm up, strictly in accordance with written planned maintenance and repair requirements GE Healthcare provides to Customer; (b) repair the Product only with repair parts that meet GE Healthcare's repair part specifications; and (c) protect the Product configuration against alteration except as authorized in writing by GE Healthcare or performed by GE Healthcare or GE Healthcare's contractor. An operating tube of Customer's will already be in the Product when the term of this Agreement begins. No credit will be provided to Customer for its operating tube; there will be no charge to Customer for the tube in the Product at the end of this Agreement.

18.2. MR Specific Terms.

18.2.1. Magnet Maintenance for MR Systems with Lhe/Ln and Shield Cooler Configured Magnets and Condenser Configured Magnets (K4 Technology). The following terms apply if Magnet maintenance coverage is indicated on the Product Schedule:

18.2.1.1. GE Healthcare Responsibilities: (a) Adjust, repair, or replace, at GE Healthcare's option, covered components (MR magnet, cryostat, coldhead, cryo-cooler compressor, shim coils); (b) Monitor the level of cryogens within the magnet's cryostat, based on Customer's cryostat meter readings; (c) Perform cryostat vacuum re-pumping at intervals OEM deems appropriate; and (d) Perform magnetic field homogeneity adjustments to the extent required by a magnet ramping and/or covered component adjustment, repair, or replacement.

18.2.1.2. Customer Responsibilities: (a) Ensure that any cryo-cooler system of the Product (including those in vans or trailers in transit) is in operation at all times and that GE Healthcare is immediately notified if it is not; and (b) Ensure that the water chiller system used in conjunction with the cryo-cooler system of the Product (including those in vans or trailers in transit) is in operation at all times and suitably maintained.

18.2.2. Magnet Maintenance for MR Systems With Permanent Magnets. If indicated on the Product Schedule, GE Healthcare will perform magnetic field homogeneity adjustments to the extent required by a covered component adjustment, repair, or replacement.

18.2.3. Cryogen Coverage for all MR systems. The following terms apply if indicated on the Product Schedule:

18.2.3.1. GE Healthcare Responsibilities: (a) Refill the cryostat with cryogens as necessary; (b) Schedule the delivery of cryogens to the site; and (c) Transfer cryogens to the Product's cryostat. Unless otherwise agreed, cryogen transfill service will occur between 9:00 PM and 6:00 AM local time. GE Healthcare is not liable for any loss of cryogens during transfer to the cryostat and makes no representation regarding transfer efficiency.

18.2.3.2. Customer Responsibilities: (a) Inform GE Healthcare in writing of Customer designated cryogen representative for the delivery of cryogens to the site, authorize Customer designated cryogen representative to act with Customer's full authority to provide GE Healthcare accurate cryostat meter readings and receive notifications from GE Healthcare relative to cryogen quantity and delivery schedules (for Lhe/Ln and shield cooler configured magnets only); and (b) Provide an appropriate delivery dock and storage facility.

18.2.4. Remote Magnet Monitoring for non-GE Healthcare Systems. The following terms apply if indicated on the Product Schedule:

18.2.4.1. GE Healthcare Responsibilities: (a) Remotely monitor operating parameters of the MR magnet refrigeration system; (b) Automatically initiate communication with a GE Healthcare field engineer based on defined alert notification protocol; and (c) Oversee installation of remote monitoring hardware and maintain such hardware during the Service Agreement.

18.2.4.2. Customer Responsibilities: Provide power and remote connectivity as needed for remote magnet monitoring solution.

18.2.5. Cryogen Cost Increases. In the event that GE Healthcare's cost for cryogens increases or decreases by more than fifteen percent (15%), as measured against GE Healthcare's cost as of the effective date of this Agreement or the cost to GE Healthcare on the date of the most recent adjustment, if any, GE Healthcare may increase or decrease Customer's Normal Fixed Charges under this Agreement in an amount equal to such cost increase or decrease upon no less than sixty (60) days' prior written notice to Customer.

18.3. Cyclotron Specific Terms.

18.3.1. If requested by GE Healthcare, Customer will remove targets prior to commencement of any Service. Customer shall also be responsible to replace the targets after completion of Service. These targets will be placed in an appropriately shielded area/container during Service operations.

18.3.2. Prior to any Planned Maintenance, Customer will provide at least twenty-four (24) hours of downtime.

18.3.3. GE Healthcare reserves the right to not enter areas with dose rates in excess of 2 mSv/hr.

18.3.4. Customer shall ensure that a Customer representative is available within the building/working area during Service.

18.3.5. Customer shall perform contamination checks on all GE Healthcare personnel and their tools, etc. after completion of Service.

18.3.6. In addition to the not-to-exceed dose rate of 2 mSv/hr, other radiation exposure limits may apply to Service activities, including daily or personal cumulative dose limits as well as local requirements, which could prevent servicing of the cyclotron until radiation levels are further reduced. In particular, GE Healthcare representatives will work in accordance with GE Healthcare Health and Safety rules including assessment and management of radiation dose to follow As Low As Reasonably Achievable ("ALARA") standards. Customer agrees to support such reasonable ALARA efforts to maintain exposures to radiation as far below the dose limits specified by GE Healthcare ALARA guidelines as possible, consistent with the need for servicing the equipment.



Statement of Service Deliverables Full Service Options

GE Healthcare

This GE Healthcare Statement of Service Deliverables Full Service Options supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Service offering purchased by Customer; (ii) Product Schedule ("Schedule"); (iii) Service Terms and Conditions; and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement" or "Service Agreement"). This Statement of Service Deliverables applies to the following GE Healthcare AssurePoint / AP service offerings: Standard, Rapid, Access, PM, Limited, Select, Performance, and Advance.

	Standard	Rapid	Access	PM	Limited	Select	Performance	Advance
Corrective Maintenance	•	•	•		•	•	•	•
Planned Maintenance	•	•	•	•	•	•	•	•
Replacement Parts	•	•	•	•	•	•	•	•
Software Updates	•	•	•	•	•	•	•	•
Phone Clinical Applications Support	•	•	•		•	•	•	•
TiP Options	•	•	•		•	•	•	•
Remote Diagnostic Service * # (InSite, iLinq, iCenter)	•	•	•	•	•	•	•	•
Uptime Performance	•	•	•				•	•
Specialty Component Options # (Complete, Reserve, Pro, GlassPro)	•	•	•	•	•	•	•	•
No Charge Special Parts Handling		•						
Quality Assurance Activities							•	•
Continuum/Refresh Options #								•
DoseWatch Explore * #	•	•	•				•	•
Remote Console * #	•	•	•				•	•
Point of Sale Supplement	•	•	•	•	•	•	•	•
Overtime Hours Allowance	•	•	•	•	•	•	•	•

• Included (to the extent provided herein)

• Optional (if available/indicated on the Schedule)

* Requires Connectivity

See supplemental terms of offering

1. Corrective Maintenance. GE Healthcare or its agents will use commercially reasonable efforts to resolve any verifiable and reproducible service issue related to the Products (defined as the Product not substantially meeting the specifications set forth by the original equipment manufacturer ("OEM")) in a reasonable period of time after notification by Customer, whether through remote or on-site services. Phone technical support is available 24 hours per day, 7 days per week (excluding GE Healthcare holidays, extent of phone support may differ by product type). On-site support is as listed on the Schedule (if not listed, 8am-5pm local time). GE Healthcare will use reasonable efforts to meet the response time for on-site support as stated in the Schedule. Corrective maintenance outside of coverage hours, on GE Healthcare holidays, or expedited beyond the stated response times (at Customer's request) will be billed at GE Healthcare's then-current rate. Corrective maintenance includes all Replacement Parts necessary to perform the required corrective maintenance services (subject to availability).

- AP PM Only: Corrective Maintenance excluded, but includes the phone technical support noted above for anesthesia, anesthesia patient monitoring, respiratory, ventilators, and maternal/infant care Products.

- AP Limited and AP Select Only: GE Healthcare or its agents will provide a limited number of corrective maintenance service events based on the number of service events purchased and listed in the Schedule. Each Customer call/request for corrective maintenance service will be applied to the limited corrective maintenance service events, unless Customer notifies GE Healthcare of its request to purchase such service separately at GE Healthcare's then current rates at the time Customer contacts GE Healthcare for such service.

2. Planned Maintenance. GE Healthcare or its agents will provide planned maintenance service ("PM") pursuant to OEM recommended frequencies and specifications as set forth in the OEM service manuals (where available), or pursuant to documented alternate PM frequencies and specifications based on a GE Healthcare risk-based assessment. PMs will be performed at mutually agreed upon times during PM coverage hours (excluding weekends and GE Healthcare holidays unless otherwise specified) as stated in the Schedule. PM includes all Replacement Parts necessary to perform the required PM (subject to availability).

3. Replacement Parts. "Replacement Parts" means the lowest level component repair part available that will bring the Product to OEM specifications. GE Healthcare will only provide subassemblies or assemblies if a lower level replacement part is not available. Replacement Parts may be provided on a new or exchange (refurbished) basis, at GE Healthcare's sole discretion. In the event an exchange part is provided to Customer, the replaced part will become GE Healthcare property and will be removed from Customer site by GE Healthcare or Customer must return the part to GE Healthcare within a reasonable timeframe. Replacement Parts are shipped freight included (excluding "Special Order" parts, which are those parts not stocked by GE Healthcare due to low demand). If Replacement Part delivery priority is indicated on the Schedule, it will be subject to shipment cut-off times for the applicable distribution center. Expedited parts delivery is available upon request for an additional fee.

4. Software Updates and Upgrades. Software updates consist of any error correction or modification to GE Healthcare Products that maintain existing software features and functionality made generally available to GE Healthcare's installed customer base. Software updates may be installed during PMs, or as otherwise agreed to by the parties. Software updates do not include any separately licensed software modules which provide additional functionality related to an application or feature for the hardware or software. Software upgrades are not included, which consist of any revisions or enhancements of the GE Healthcare software by GE Healthcare that improve or expand existing software features or functionality that are generally made available for purchase. Additional hardware and/or software (including upgrades to third party software or operating system software) required for software updates or software upgrades, training, project management, and integration services related to the software updates and software upgrades are excluded.

5. Phone Clinical Applications Support.

- All Products: GE Healthcare will provide clinical applications support Monday-Friday, 8am-5pm CST (unless otherwise stated in the Schedule), excluding OEM holidays, by telephone. Off-hours support is available for an additional fee.

- GE Healthcare Products Only: Only available for Customer personnel trained by GE Healthcare to use the Product.

- Non-GE Healthcare Products: Only provided if available and indicated on the Schedule, via the OEM. Please see the Schedule for additional details (amount of hours, OEM inclusions/exclusions).

6. TIP Options. Not all TIP options are available with all Products or with all GE Healthcare service options. See Schedule for a list of the TIP options included in the Service Agreement.

- TIP Answer Line: Not available for non-GE Healthcare Product. Provides toll-free access to GE Healthcare application experts. Hours of operation based on Product type (times available upon request).

- TIP Virtual Assist On-Demand: Includes up to 12 hours per contract year of live, interactive, two-way remote troubleshooting, problem solving, or training sessions. Remote training sessions can be scheduled for 1 or 2 hour blocks, Monday-Friday (excluding GE Healthcare holidays). Any unused hours in a particular contract year will be forfeited without refund.

- Succeed Lifecycle TIP Applications Training: Flexible technologist training occurring yearly through the Service Agreement term.

- TIP-Ed Online: Continuing education training and business programming for healthcare professionals.

7. Remote Diagnostic Services. To the extent indicated on the Schedule, GE Healthcare shall include its then-current InSite, InSite On Watch, iLinq, iLinq Diagnostic, or iCenter™ tools. Refer to any applicable additional Statement of Service Deliverables for the particular remote diagnostic service(s). Not available on all Products. Hours of operation based on Product type.

8. Uptime Performance. During any year of the Service Agreement, should any Product fail to achieve GE Healthcare's uptime commitment listed in the Schedule, Customer will be provided the applicable remedy set forth below by offering type. This remedy is Customer's sole and exclusive remedy for GE Healthcare's failure to meet the specified uptime commitment. Uptime shall be calculated as follows: (Uptime-Downtime)/Uptime, with Uptime measured as the coverage hours stated in the Schedule (hours per day x days per week x 52 weeks). Downtime shall be measured as the number of hours the Product is inoperable and out of service. PM time and software update installation is excluded from the calculation of downtime. Product shall be considered in downtime from the time the request for service was received by GE Healthcare until the Product is turned over to Customer for operation/use. Should Customer fail to give GE Healthcare immediate and unencumbered access to the Product or continue to obtain scans from the Product after notifying GE Healthcare of any Product failure, the Product will be considered to be in service. Product will be considered inoperable and out of service if the Product is unavailable for scanning patients and diagnosing images on the Product display console or operator's console. Peripheral equipment such as remote console, magnetic tape drive, hard copy devices, multi-format and laser cameras are excluded. Repair and adjustments required for anything other than Product failure, and damage or inoperability due to any cause outside of GE Healthcare's reasonable control will be excluded, including but not limited to damage through misuse, operator error, inadequate environmental or air conditioning protection or failure, power failure and acts of God. Customer will not be entitled to any remedy if GE Healthcare's failure to meet the uptime commitment results from (i) Customer cancellations, requested rescheduling or inability to access the Product, (ii) Customer's default, including but not limited to GE Healthcare's suspension of service for failure to make timely payments as stated in the Service Agreement, (iii) improper care of the Product related to damage or abuse, or (iv) any cause beyond GE Healthcare's reasonable control. Customer is responsible for tracking and calculating uptime. If Customer believes GE Healthcare did not meet the uptime commitment, Customer will give GE Healthcare written notice within a reasonable period of time following the end of the year period, along with data evidencing GE Healthcare's failure, for GE Healthcare's reasonable review.

Offering	Remedy								
AssurePoint Standard	Reduction in the amount of the then-current annual charge for the affected Product during the following contract year, at the following amounts:								
AssurePoint Rapid									
AssurePoint Access	<table><tr><th><u>% Less Than Uptime Commitment</u></th><th><u>Reduction %</u></th></tr><tr><td>.1% - 5%</td><td>5%</td></tr><tr><td>5.1% -10%</td><td>10%</td></tr><tr><td>>10%</td><td>15%</td></tr></table>	<u>% Less Than Uptime Commitment</u>	<u>Reduction %</u>	.1% - 5%	5%	5.1% -10%	10%	>10%	15%
<u>% Less Than Uptime Commitment</u>	<u>Reduction %</u>								
.1% - 5%	5%								
5.1% -10%	10%								
>10%	15%								
AssurePoint Performance									
AssurePoint Advance									

9. Specialty Component Options. Customer may separately purchase specialty component coverage options for tubes, probes, or detectors, including AssurePoint Glass Pro, Complete, Reserve, or Pro, at the terms and conditions of such offerings.

10. No Charge Special Parts Handling. GE Healthcare will provide no charge special handling of critical parts in Product hard down situations. Critical parts are defined as Replacement Parts required for sufficient functionality of the Product to reasonably resume patient scanning and diagnosing images on the Product display console or operator's console. Special handling is defined as expedited delivery beyond GE Healthcare's Replacement Parts delivery priority listed in the Schedule.

11. Quality Assurance Activities. Upon Customer's request, GE Healthcare will provide quality assurance activities such as Product and image quality control testing, calibrations, and functional testing to measure whether Product is performing according to Customer's site-determined standards.

12. AP Software Continuum/AP Refresh Options. For AP Software Continuum, Customer shall be entitled to those GE Healthcare software upgrades related to the Product, and reflective of Customer's existing functionality, as such software upgrades become commercially available during the term of the Service Agreement. See AP Software Continuum Statement of Service Deliverables for additional terms and conditions. AP Refresh entitles Customer to a pre-defined one-time hardware and/or software upgrade at the beginning of the Service Agreement term, with the cost of such upgrade paid over the full or partial term of the Service Agreement. See AP Refresh Statement of Service Deliverables for additional terms and conditions. 36 month minimum Service Agreement term required for both AP Software Continuum and AP Refresh.

13. Exclusions. Products may be excluded from coverage under the Service Agreement and Customer will not be entitled to any remedy if GE Healthcare's failure to provide PM or corrective maintenance service results from (i) Customer cancellation, requested rescheduling or inability to access the Product, (ii) Customer's default, including but not limited to GE Healthcare's suspension of service for failure to make timely payments as stated in the Service Agreement, (iii) improper care of the Product related to damage or abuse (e.g., broken screen due to drop or fall), or (iv) any cause beyond GE Healthcare's reasonable control. Unless expressly indicated on the Schedule, and in addition to the exclusions herein and in the GE Healthcare Service Terms and Conditions, the following items are excluded from coverage under the Service Agreement: stand-alone workstations, sensors, transmission pin sources, transducers, non-GE supplied coils, MR surface coils on non-GE Product (other than the body coil), MR magnet, cryostat, coldhead, cryo-cooler compressor, shim coils, and cryogenes. GE Healthcare will charge Customer separately for such items. GE Healthcare will not be responsible for providing system database maintenance for Customer, including all activities related to backup, new users, user privileges, physician list updates, or archive/data entry, or otherwise.

14. Full Service Riders. If Products under the Service Agreement include ultrasound products, DoseWatch Explore, or Remote Console, the applicable GE Healthcare statement of service deliverables rider shall be incorporated by reference into this Statement of Service Deliverables.

15. Point of Sale Supplement. If indicated on the Schedule, Customer shall be entitled to certain additional services as listed on the Schedule for the remaining term of the GE Healthcare Product Warranty (as defined in the GE Healthcare "Warranty Statement"). During the term of the Product Warranty, Customer's remedies related to such additional services shall be those described in the Product Warranty documents. If Customer executes the Service Agreement after the expiration of the GE Healthcare Product Warranty, this section is null and void, and the payments provided for this supplement (if any) are non-refundable. If Customer terminates the Service Agreement prior to the Service Agreement expiration date for any reason, Customer shall remain responsible for any amounts owed under this supplement (i.e., the value of performed additional services on a prorated basis), and shall pay such amounts within 30 days after termination of the Service Agreement. This supplement is only available for GE Healthcare Products.

16. Product Usage Allowance/Level. Under AP Access only, GE Healthcare and Customer will review Product usage on each anniversary of the Service Agreement (or at any other time upon 90 days' prior written notice from Customer). GE Healthcare will verify Product usage during the prior-12 month period and compare it with the usage level listed in the Schedule for the Product (allowing for a 5% one-time variance). If Product usage has exceeded the listed usage level set forth in the Schedule, the Service Agreement will convert to AP Standard for the Product and Customer's service fees will convert to the then-current pricing of AP Standard. If Product usage was less than the listed usage level set forth in the Schedule, Customer may convert AP Access to the next lower AssurePoint service offering at the then-current pricing of such AssurePoint service offering. Conversion to a different AssurePoint service offering will require the parties to sign an amendment to the Service Agreement, effective at a mutually agreed upon date.

17. Overtime Hours Allowance. If indicated on the Schedule, GE Healthcare or its agents will provide corrective maintenance or planned maintenance service outside the standard coverage hours listed on the Schedule (if not listed, 8am-5pm local time) up to the number of overtime hours set forth in the Schedule. The number of overtime hours listed on the Schedule are valid for 12 months, commencing on the signature date of the Service Agreement or its anniversary date, as applicable. Service hours that exceed the number of overtime hours will be billed at GE Healthcare's then-current rate. The number of overtime hours are non-transferable (i.e., unused hours will not roll over to the following contract year). Unused hours will be forfeited without refund or credit.



GE Healthcare

Statement of Service Deliverables AssurePoint iCenter

iCenter

This GE Healthcare Statement of Service Deliverables AssurePoint iCenter supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Service offering purchased by Customer, (ii) Product Schedule ("Schedule"), (iii) Service Terms and Conditions and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement" or "Service Agreement").

For Product identified on the attached Schedule as "iCenter", GE Healthcare will provide the following:

The iCenter informatics website provides current and historical information related to diagnostic imaging equipment and clinical assets. Access to maintenance, utilization, and capital planning reports is provided through a secure website.

Maintenance Reports

GE Healthcare Maintenance Reports provide detailed service records, planned maintenance schedule, service performance and other contract management information. Details are provided in Exhibit B.

Utilization Reports

GE Healthcare Utilization Reports (Imaging Performance Manager) provide system specific usage statistics. Details are provided in Exhibit B.

Capital Planning Reports

GE Healthcare Capital Planning Reports provide facility wide Installed Base reports profiling the number of assets, age, End of Service Life and more. Details are provided in Exhibit B.

iCenter Subscription – During the term of the Agreement GE Healthcare will provide you a subscription allowing you to access information, through the iCenter website, for all your diagnostic imaging equipment covered by GE Healthcare Service agreement. During the term of your subscription, you are granted a limited, non-exclusive, non-transferable right to search, retrieve, display, download, print and use the information solely at the site for internal business use only. User ID and password or other security process defined by GE Healthcare will control access to the website. You will manage password assignment and confidentiality. Except as expressly permitted above, you may not de-compile or reverse engineer any of the associated software and other content and materials related to the website sell, sub-license, distribute, or commercially exploit the content on the website, make the content on the website available to any third party through any means or media, or modify, publish, transmit, participate in the license, transfer, or sale of, reproduce, create derivative works from, upgrade, modify, replace or delete portions of information, functions of the website, and related materials at any time during the term of the agreement.

iCenter Ownership and Use of Intellectual Property Rights – The content provided on the website is the property of GE Healthcare and is protected by copyright and other intellectual property laws of the United States and by applicable international treaties. All rights with regard to the content are reserved to GE Healthcare. No rights are transferred to you by virtue of this subscription except as specifically provided in this subscription. You agree to abide by all copyright notices, information, or restrictions.

iCenter Disclaimer of Warranties – Notwithstanding the limited warranties section in the master terms and conditions, GE Healthcare expressly disclaims all warranties and representations of any kind with respect to the information and related materials, whether expressed or implied, including any implied warranties of merchantability, fitness for a particular purpose, non-interference with enjoyment, and title. Due to the numbers of sources from which information is obtained, and the inherent hazards of electronic inaccuracies or typographical errors, and may not be available without interruption.

iCenter Training – At your request and in conjunction with the activation of your initial subscription, GE Healthcare or its agent will provide application training for two individuals in the use of the Information Related Materials (regardless of the number of pieces of equipment for which you have subscription). Additional applications training may be purchased separately and changes for such training will be in accordance with the prevailing rates then in effect for such services.

Multi-Vendor IPM Utilization Reports- In order for GE Healthcare to provide IPM Utilization reports the following must be fulfilled:

- Confirm that a DICOM Station Name, which uniquely identifies customer assets, has been configured on each diagnostic imaging asset for which GE will report utilization.
- Provide GE a list of the DICOM Station Names ordered by PACS.
- Add the GE Site Gateway to all client PACS as a DICOM node.
- Provide GE the IP address, DICOM AE Title and DICOM port for the GE Site Gateway.
- Provide GE the IP address, DICOM AE Title and DICOM port for all client PACS.
- Keep GE apprised of changes to all PACS or diagnostic imaging assets that may affect GE's ability to provide utilization reports.
- Address technical questions or concerns or provide updates to the GE Director of Service (DOS).



Statement of Service Deliverables AssurePoint iCenter

GE Healthcare

Exhibit A: Example Asset Data Required for Asset Management

Station Name	GE System ID	PACS IP address	Status
SPR-MP343	81768PQ25	1.11.11.111	OEM RC
SMR-MP333	81768TMR14	2.22.22.254	OEM RC
SXX-MP4453	81768PHXV13	3.44.81.212	OEM NO-RC

Possible Status Values:

DISABLED – Ignore this system

GE IPM – GE system with built-in IPM

GE NO-IPM – GE system without built-in IPM

OEM RC – non-GE system with remote connectivity

OEM NO-RC – non-GE system without remote connectivity

Exhibit B: Informatics Report Schedule

iCenter includes all of the following:

iCenter: Maintenance Reports

Included
Welcome Page
Help menus
Messages from GE
Today Page–
Green, Yellow, Red – at a glance asset status
Service call status
Planned Maintenance
Completed and Scheduled
Print and download
Asset Information
Inventory
Service Agreement Details
Service Performance
Corrective Maintenance
Remote Service
Uptime %
Contact GE

iCenter: Utilization Reports

Included
IPM Summary Page
Customizable target patient volume and staffed hours
Data download to excel
Reports (online or pdf version)
Volume of exams, patients
Referring physician
Types of Studies
Two year trend
IPM Interpreter
Utilization calculation



GE Healthcare

Statement of Service Deliverables AssurePoint iCenter

iCenter: Capital Planning Reports

Included
Facility Installed Base Analysis
Data download to excel
Standard reports (online or pdf) include:
Age of asset compared to benchmark
EOPL and EOSL
Unplanned service compared to benchmark
Service calls and service time per year for each asset
Guideline on replacement target

Inclusion of this Deliverables document entitles the Customer to GE Healthcare's TiP-Ed OnlineSM continuing education ("CE"), training and business programming for diagnostic imaging and other healthcare professionals (the "Subscription") delivered in a method ("Delivery Method") as determined by GE Healthcare. GE Healthcare currently provides the Subscription via the Satellite System (as defined below) or via the Internet. For the avoidance of doubt, GE Healthcare may terminate such Delivery Methods at any time and elect to deliver the Subscription by an alternate Delivery Method. If a satellite system, capable of receiving the TiP-Ed OnlineSM signal, is already installed in your facility, you not will be required to pay installation fees for receiving TiP-Ed OnlineSM content. If a satellite system is not previously installed, the Customer will be required to pay for the Satellite System and all installation costs.

TiP-Ed OnlineSM Provided Via the Satellite System

To the extent that GE Healthcare delivers the Subscription via the Satellite System, the following terms shall apply:

Customer's Right to Use the Broadcasts

GE Healthcare grants you during the term of this Subscription a limited, non-exclusive, non-transferable license to do the following:

- Use the provided Satellite System to receive and decode TiP-Ed OnlineSM broadcasts. "Satellite System" includes the satellite antenna, mount, feed horn adapter, modulators, channel filters and related items licensed by us to you under this Subscription to permit you to receive our TiP-Ed OnlineSM programs.
- Receive TiP-Ed OnlineSM broadcasts and, when applicable, obtain supplementary materials electronically for the educational use of your Health Care Employees. "Health Care Employees" are your employees having the primary responsibility to provide health care to human beings.
- Make videotape copies of each TiP-Ed OnlineSM broadcast solely for the educational use of your Health Care Employees. You may not edit, alter, sell, rent, or part with possession of your videotape copy of the broadcasts.
- Internally display broadcasts through a distribution system (preferably through a central television distribution system) located within your health care facility that hosts the Satellite System. You may neither transmit nor show the broadcasts at a location outside of the licensed site, nor show any broadcast in any public or patient areas of your site or to anyone other than your Health Care Employees. Non-Health Care Employees may view certain broadcasts with GE Healthcare's prior written consent.
- The broadcasts are protected by the copyright laws of the United States and by applicable international treaties. No right under copyright is transferred to you by virtue of this Subscription, except as specifically provided in this Subscription.
- The rights granted to you under this Subscription will not affect the exclusive ownership by GE Healthcare and/or GE Healthcare's vendors of any trademarks, copyrights, patents, or common law property rights pertaining to the Satellite System or its broadcasts.

Customer's TiP-Ed OnlineSM Subscription Responsibilities

You agree, during the term of this Subscription to:

- Assist GE Healthcare or its agents to determine the compatibility of your existing Satellite System or, as necessary, the requirements of a new Satellite System to receive broadcasts from GE Healthcare.
- Obtain all federal, state and local variances, permits and authorizations necessary to install and use the Satellite System to receive GE Healthcare's Broadcasts at the licensed site. GE will provide reasonable assistance in connection therewith, at your expense.
- Obtain and maintain all facilities necessary to enable your Health Care Employees to participate in TiP-Ed OnlineSM broadcasts at the site through the use of the provided Satellite System, including viewing room, television or monitor, telephone, and VCR (if desired).
- Maintain GE Healthcare's Satellite System in operational condition and replace any inoperable Satellite System components that fail for reasons other than a manufacturing defect.
- Designate an education coordinator and an Audio-Visual/Installation Coordinator for your site receiving broadcasts.
- Engage your Staff Education Director or Clinical Education Director to communicate CE programming opportunities to your staff.
- Report promptly any broadcast reception concerns to GE Healthcare's toll-free help desk or customer service web site.
- Within 30 days after the termination of the this Subscription, de-install, package, and return, at your expense, GE Healthcare's Satellite System to GE Healthcare in operational condition. A charge of \$100 for each day of delay beyond the 30-day period will apply.
- Provide opportunities for GE Healthcare to collect viewership data, if requested.

GE Healthcare's TiP-Ed OnlineSM Subscription Responsibilities

During the term of this Subscription, GE Healthcare will provide:

- Specifications and coordination of installation of GE Healthcare's Satellite System.
- Utilization tools and processes for promoting participation in TiP-Ed OnlineSM programs (e.g., schedules, calendars, etc.).
- Replacement of any Satellite System component owned by GE Healthcare that fails to properly operate because of a manufacturing defect.
- Telephone training for the education coordinator(s) in administering and promoting TiP-Ed OnlineSM use at your site.
- Toll-free customer service support during standard GE Healthcare business hours.
- An Internet-enabled Healthcare Learning Management System (HLS) and Web Site supporting use and access to on-line CE course assessments and certificates of completion that can be printed upon successful completion of certain CE courses.
- Access via one user name and password to site-specific records for your designated education coordinator.

TiP-Ed OnlineSM Provided Via the Internet

To the extent that GE Healthcare delivers the Subscription via the Internet, the following terms shall apply:

Each TiP-Ed OnlineSM course is available through the GE Healthcare Learning System web site with access to course content and downloadable supplemental materials, CE assessments and certificates of completion (which certificate of completion may be printed upon successfully passing certain CE courses). An Internet broadband connection is required. GE Healthcare will work with the customer's designated information systems administrator and/or business leaders to help resolve technical problems. However, GE Healthcare is not liable for any internal delivery issues.



Company

GE Company Proprietary and Confidential

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SDTTREV11052010

General Electric

Customer's Right to Use TiP-Ed OnlineSM

You are granted during the term of this Subscription a limited, non-exclusive, non-transferable license to TiP-Ed OnlineSM content delivered via the Internet.

- Access to TiP-Ed OnlineSM content may not be granted to anyone other than your Health Care Employees at your Healthcare Facility.
- TiP-Ed OnlineSM content is protected by the copyright laws of the United States and by applicable international treaties. No right under copyright is transferred to you by virtue of this Subscription, except as specifically provided in this Subscription.
- The rights granted to you under this Subscription will not affect the exclusive ownership by GE Healthcare and/or GE Healthcare's vendors of any trademarks, copyrights, patents, or common law property rights pertaining to the TiP-Ed OnlineSM content.

Customer's TiP-Ed OnlineSM Responsibilities

You agree, during the term of this Subscription to:

- Assist GE Healthcare or its agents to determine the compatibility of your existing on-line system to receive content through TiP-Ed OnlineSM.
- Obtain and maintain all facilities necessary to receive GE Healthcare's TiP-Ed OnlineSM content for your Health Care Employees through the use of GE Healthcare's Learning Management System.
- Designate an education coordinator for each Site utilizing TiP-Ed OnlineSM.

GE Healthcare's TiP-Ed OnlineSM Subscription Responsibilities

During the term of this Subscription, GE Healthcare will provide:

- Telephone assistance in the initial set-up of TiP-Ed OnlineSM for use by your Health Care Employees.
- Utilization tools and processes for promoting participation in TiP-Ed OnlineSM (e.g., schedules, calendars, etc.).
- Secure access via one user name and password to site-specific education records for one designated education coordinator per participating facility.
- An Internet-enabled Healthcare Learning Management System and Web Site supporting use and access to on-line CE course assessments and certificates of completion that can be printed upon successfully passing CE course assessments.
- Toll-free technical help desk support during standard GE Healthcare business hours.
- Toll-free Customer Service support during standard GE Healthcare business hours.

General Terms and Conditions Relating to the Provision of TiP-Ed OnlineSM

The following terms shall apply generally to the provision of TiP-Ed OnlineSM by GE Healthcare to you, regardless of the Delivery Method:

Intellectual Property Rights - You acknowledge that all information related to this Subscription and its programs and content (the "Program Materials") are confidential, proprietary and valuable to us. You agree not to, and not to authorize others to, permit any other access to or disclosure or use of Program Materials or to modify any part of the Program Materials without the prior written authorization of one of our corporate officers. You agree to take reasonable and practical security measures to prevent unauthorized or unlawful access, copying, taping or use by others or disclosure to others of such information or materials. All Program Materials are protected by the copyright laws of the United States and by applicable international treaties. No right under copyright is transferred to you by virtue of this Subscription, except as specifically provided in this Subscription. Ownership of the Program Materials and of the copies permitted by this Subscription will remain with us. The rights granted to you under this Subscription will not affect the exclusive ownership by us and/or our vendors of any trademarks, copyrights, patents, or common law property rights that pertain to the Subscription licensed to you hereunder. Any transfer of any such property will at all times be subject to all trademarks, copyrights, letters patent, and common law property rights of ours and/or our vendors.

Disclaimer of Liability - GE Healthcare makes no representation or warranty with respect to and has no liability to you or your employees regarding the accuracy or completeness of any information contained in any Program Materials. GE Healthcare will use reasonable efforts to make an appropriate correction if GE Healthcare determines there is an inaccuracy in any Program Materials. GE Healthcare does not promote or otherwise recommend any procedure suggested in any Program Materials unless it is also described in a GE Healthcare user manual. Accordingly, your use of such a procedure shall be at your sole risk. Posted schedules, program formats, and content are subject to change at GE Healthcare's discretion without prior notice. GE Healthcare and its representatives have no liability for any claim of infringement of patents or other intellectual property rights caused by your use of a procedure not described in a GE Healthcare user manual.

Title and Risk of Loss - GE Healthcare will keep title to the Program Materials (including, without limitation, any satellite broadcasts). You will preserve GE Healthcare's title in these items free and clear of all claims, encumbrances, and liens and will not transfer custody of them to a third party without our GE Healthcare's prior written consent. You may not alter any part of the Satellite System or allow others outside your site access to the Satellite System. You are responsible for risk of loss or damage to the Satellite System from the time GE Healthcare delivers them to you until the time you return them, at your expense, to GE Healthcare at the end of this Subscription. You agree that GE Healthcare has no liability with respect to GE Healthcare's Satellite System licensed to you except to replace it at GE Healthcare's expense, in the event it fails to operate solely because of a design or manufacturing defect or normal wear and tear.

Reservation of Rights - At any time during the term of this Subscription, you agree that GE Healthcare may (i) unilaterally change the Delivery Method of the Subscription, (ii) assign all or a part of the rights and/or obligations under this agreement to any third party or (iii) for any reason, terminate the Subscription for any reason upon at least twelve (12) months written notification to you. GE Healthcare also reserves the right to solely determine the content of the Program Materials.



AGENCY AUTHORIZATION AGREEMENT FOR SERVICE ON NON-GE EQUIPMENT

Customer named below hereby designates GE Healthcare as its duly authorized agent to act on Customer's behalf to conduct the following business matters concerning the equipment within Customer's owned, leased and/or managed facilities:

- ◆ Negotiate and sign service agreements.
- ◆ Obtain service support, parts, parts pricing, technical information (including but not limited to manuals, software, etc.), service histories, time and material cost, and training.
- ◆ Receive invoices related to the service of the equipment including but not limited to service agreements, service support, parts, technical support and information, time and material costs, and training.

This agency authorization is effective as of the date shown below and continues in force until revoked in writing by an authorized representative of Customer. Revocation of this agency authorization shall not affect the validity of any contracts or commitments made by GE Healthcare as Customer's agent prior to delivery of the written revocation.

CUSTOMER INFORMATION

Facility Name: Tennessee Orthopedics, PC

By: Tosha Smart

Signature: Tosha Smart

Title: Administrator

Date: 6/16/15



AGENCY AUTHORIZATION AGREEMENT FOR SERVICE ON NON-GE EQUIPMENT

Customer named below hereby designates GE Healthcare as its duly authorized agent to act on Customer's behalf to conduct the following business matters concerning the equipment within Customer's owned, leased and/or managed facilities:

- ◆ Negotiate and sign service agreements.
- ◆ Obtain service support, parts, parts pricing, technical information (including but not limited to manuals, software, etc.), service histories, time and material cost, and training.
- ◆ Receive invoices related to the service of the equipment including but not limited to service agreements, service support, parts, technical support and information, time and material costs, and training.

This agency authorization is effective as of the date shown below and continues in force until revoked in writing by an authorized representative of Customer. Revocation of this agency authorization shall not affect the validity of any contracts or commitments made by GE Healthcare as Customer's agent prior to delivery of the written revocation.

CUSTOMER INFORMATION

Facility Name: _____

By: _____

Signature: _____

Title: _____

Date: _____



Tennessee Orthopaedics

Support and prices quoted below are valid provided the customer signs and returns this quote to GE Healthcare by 6/25/2015

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Amount
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	GE MR 1.5T OPTIMA MR450w 16 Channel (M#13A1)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> GE SUPPLIED COILS <input type="checkbox"/> ILINO RESPONSE TIME: 30 MIN. <input type="checkbox"/> IROC COVERAGE <input type="checkbox"/> SPECTROSCOPY <input type="checkbox"/> SYSTEM USAGE: 0000000-0002000 Patients EXCLUDED: <input type="checkbox"/> CHILLER COVERAGE <input type="checkbox"/> PERIPHERAL DEVICES <input type="checkbox"/> Printers <input type="checkbox"/> Sentinel Breast Imaging Table <input type="checkbox"/> UNINTERRUPTED POWER SUPPLY <input type="checkbox"/> WORKSTATION	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> FE Coverage Weekend: NO COVERAGE HRS <input type="checkbox"/> FE Onsite Response Time: 4-Hours <input type="checkbox"/> iCenter <input type="checkbox"/> InSite Response: 30 <input type="checkbox"/> InSite/Tech Phone Support <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-MR <input type="checkbox"/> Software Upgrades and Updates: Software and Quality Updates <input type="checkbox"/> TIP Answer Line <input type="checkbox"/> TIP-Ed Online(TM) Subscription <input type="checkbox"/> Uptime Commitment: 97%	\$63,122
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	GE MR MR MAGNET MAINTENANCE AND CRYOGEN (M#C28Z)	End of Warranty	Magnet Maintenance and Cryogen	INCLUDED: <input type="checkbox"/> MAGNET: 0.5T, 1.0T, 1.5T NON-TWIN	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> InSite/Tech Phone Support <input type="checkbox"/> Parts Shipping: Included, Next Day 10:30 AM LST-GENERAL	\$30,000
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	DIMPLEX MV PR DIMPLEX WO2- 5000 CHILLER (20 TON) (SDI020)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> CHILLER AGE: CHILLER AGE <11 YEARS EXCLUDED: <input type="checkbox"/> City Water Bypass or Other HW <input type="checkbox"/> R22 Refrigerant	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> FE Onsite Response Time: 24 Hours <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-GENERAL	\$5,800

NET ANNUAL VALUE:

\$98,922

Customer:

Approved By: Tosha Smart Title: Administrator

Signature: Tosha Smart Date: 6/16/15

GE Healthcare:

Approved By: Jill Ward Date: HSAM

Signature: Jill Ward Date: 6/30/15



Tennessee Orthopaedics

Support and prices quoted below are valid provided the customer signs and returns this quote to GE Healthcare by 6/25/2015

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Amount
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	GE MR 1.5T OPTIMA MR450w 16 Channel (M#13A1)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> GE SUPPLIED COILS <input type="checkbox"/> ILIUM RESPONSE TIME: 30 MIN. <input type="checkbox"/> IROC COVERAGE <input type="checkbox"/> SPECTROSCOPY <input type="checkbox"/> SYSTEM USAGE: 00000000-0002000 Patients EXCLUDED: <input type="checkbox"/> CHILLER COVERAGE <input type="checkbox"/> PERIPHERAL DEVICES <input type="checkbox"/> Printers <input type="checkbox"/> Sentinelle Breast Imaging Table <input type="checkbox"/> UNINTERRUPTED POWER SUPPLY <input type="checkbox"/> WORKSTATION	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> FE Coverage Weekend: NO COVERAGE HRS <input type="checkbox"/> FE Onsite Response Time: 4-Hours <input type="checkbox"/> iCenter <input type="checkbox"/> InSite Response: 30 <input type="checkbox"/> InSite/Tech Phone Support <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST- MR <input type="checkbox"/> Software Upgrades and Updates: Software and Quality Updates <input type="checkbox"/> TIP Answer Line <input type="checkbox"/> TIP-Ed Online(TV) Subscription <input type="checkbox"/> Uptime Commitment: 97%	\$63,122
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	GE MR MR MAGNET MAINTENANCE AND CRYOGEN (MSC28Z)	End of Warranty	Magnet Maintenance and Cryogen	INCLUDED: <input type="checkbox"/> MAGNET: 0.5T, 1.0T, 1.5T (NON-TWIN)	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> InSite/Tech Phone Support <input type="checkbox"/> Parts Shipping: Included, Next Day 10:30 AM LST- GENERAL	\$30,000
System ID: TBD Phy Loc Acct 962099	ADD Renewal (REN)	DIMPLEX MV PR DIMPLEX WO2- 5000 CHILLER (20 TON) (SDI020)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> CHILLER AGE: CHILLER AGE <11 YEARS EXCLUDED: <input type="checkbox"/> City Water Bypass or Other H/W <input type="checkbox"/> R22 Refrigerant	<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM <input type="checkbox"/> FE Onsite Response Time: 24 Hours <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST- GENERAL	\$5,800

NET ANNUAL VALUE

\$98,922

Customer:

GE Healthcare:

Approved By: _____

Title: _____

Approved By: _____

Title: _____

Signature: _____

Date: _____

Signature: _____

Date: _____



X

GE Healthcare

ADDENDUM TO QUOTATION

This Addendum to Quotation(s) ("Addendum"), effective as of last signature date indicated in the signature area of this Addendum ("Effective Date") is entered into by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified on the GE Healthcare quotation(s) which are listed below and incorporated herein by reference (each, a "Quotation" and, collectively, the "Quotations"):

Quotation Number(s)

052815NBV1

Quotation Date(s)

Thursday, May 28, 2015

WHEREAS, GE Healthcare has provided Customer with the Quotation(s) concerning GE Healthcare's desire to sell to Customer, and Customer's agreement to purchase from GE Healthcare, certain GE Healthcare products and/or services listed on each Quotation in accordance with the terms and conditions set forth on each Quotation (each, an "Agreement" and collectively, the "Agreements"); and


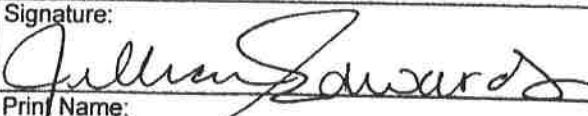
WHEREAS, the parties now desire to amend and/or supplement the Agreement(s) in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the representations and mutual undertakings hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the foregoing and as follows:

- Each Agreement is revised as set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

Entire Agreement. In the event of any conflict between the terms and conditions of this Addendum on the one hand, and each Agreement on the other hand, the terms and conditions of this Addendum shall govern and control. Except as otherwise expressly provided in the Addendum, the parties agree that all provisions of each Agreement are hereby ratified and agreed to be in full force and effect and are incorporated herein by reference. This Addendum and each Agreement contain the entire agreement among the parties related to the subject matter herein and all prior proposals, discussions and writings by and among the parties and relating to the subject matter herein are superseded hereby and thereby.

In WITNESS WHEREOF, Customer and GE Healthcare have caused this Addendum to be executed by their duly authorized representatives as of the Effective Date.

Tennessee Orthopedics	GE Healthcare
Signature: 	Signature: 
Print Name: Tosha Smart	Print Name: William Edwards
Title: Administrator	Title: HSAM
Date: 6/15/15	Date: 6/30/15



GE Healthcare

ADDENDUM TO QUOTATION

This Addendum to Quotation(s) ("Addendum"), effective as of last signature date indicated in the signature area of this Addendum ("Effective Date") is entered into by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified on the GE Healthcare quotation(s) which are listed below and incorporated herein by reference (each, a "Quotation" and, collectively, the "Quotations");

Quotation Number(s)

052815NBV1

Quotation Date(s)

Thursday, May 28, 2015

WHEREAS, GE Healthcare has provided Customer with the Quotation(s) concerning GE Healthcare's desire to sell to Customer, and Customer's agreement to purchase from GE Healthcare, certain GE Healthcare products and/or services listed on each Quotation in accordance with the terms and conditions set forth on each Quotation (each, an "Agreement" and collectively, the "Agreements"); and

WHEREAS, the parties now desire to amend and/or supplement the Agreement(s) in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the representations and mutual undertakings hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the foregoing and as follows:

- Each Agreement is revised as set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

Entire Agreement. In the event of any conflict between the terms and conditions of this Addendum on the one hand, and each Agreement on the other hand, the terms and conditions of this Addendum shall govern and control. Except as otherwise expressly provided in the Addendum, the parties agree that all provisions of each Agreement are hereby ratified and agreed to be in full force and effect and are incorporated herein by reference. This Addendum and each Agreement contain the entire agreement among the parties related to the subject matter herein and all prior proposals, discussions and writings by and among the parties and relating to the subject matter herein are superseded hereby and thereby.

In WITNESS WHEREOF, Customer and GE Healthcare have caused this Addendum to be executed by their duly authorized representatives as of the Effective Date.

Tennessee Orthopedics	GE Healthcare
Signature:	Signature:
Print Name:	Print Name:
Title:	Title:
Date:	Date:

EXHIBIT A

Each Agreement is revised as follows:

- "Conversion of Service Agreement. Upon sixty (60) days written notice prior to the annual anniversary date of this Agreement to GE Healthcare, Customer may elect to convert this Agreement from the current service offering to another then-available standard GE Healthcare offering under the pricing and standard terms and conditions in effect at the time of Customer's election for the offering Customer has chosen."

Tennessee Orthopaedics

Physical Location Account #: 962099

Support and prices quoted below are valid provided the customer signs and returns this quote to GE Healthcare by 7/1/2015

Optional: Personnel to be notified when this document is processed:

Name(s):

Email(s):

Equipment Identifiers	Trans. Type	Equipment	Current Contract Information	Current Annual Amount	Effective Date	Offering	Options	Features	Incremental Annual Amount
System ID: 615T01MR Contract: 0359415 MSA - 2013-0 Global Order #: 2948143 Asset No: MEFR002-GE13+2948143+1P1-000000001690510	MODIFY: Offering Modify	GE MR 1.5T HDe / 1.5 HDe2 (MEFR002)	<p>Contract # 0359415 MSA - 2013-0</p> <p>Start: 9/5/13, End: 1/31/17</p> <p>Phy Loc Act: 962099</p> <p>Annual Amount: \$62,310.00</p> <p>ASSUREPOINT STANDARD-US</p> <p>FE Coverage HOURS/DAYS: M-F 0800-1700-US</p> <p>1 Hour Travel Before/After FE Coverage M-F 0800-1700-US</p> <p>1 Hour Travel Before/After PM Coverage M-F 0800-1700-US</p> <p>1 Hour Travel Before/After PM Coverage M-F 0800-1700-US</p> <p>FE Onsite Response Time: 04-US</p> <p>Uptime Commitment: 097,0000-US</p> <p>Entitlements: UNINTERRUPTED POWER SUPPLY; NO UPS-US; No SPH Part Fee for Hard Down; NO-US; Hardware Upgrades: NONE-US; CHILLER COVERAGE: AIRSYS OR ELLIS & WATTS ONLY-US; (CENTER UTILIZATION); ICENTER UTILIZATION; SILVER-US; TIP Answer Line: Y-US; SPECTROSCOPY: SPECTROSCOPY-US; InSite OnWatch: NO-US; ADVANTAGE WINDOWS: WORKSTATION NOT COVERED-US; No OT Billing Provision: NO-US; GE SUPPLIED COILS: GE SUPPLIED COILS-US; OnSite TIP Apps MR: NONE-US; ILINO RESPONSE TIME: ILINO RESPONSE TIME: 30 MIN-US; SYSTEM USAGE: 00000000-0001999 Patients-US; Software Upgrades and Updates: SARESCOPY-US</p>	\$62,310	7/1/2015	AssurePoint Access	<p>INCLUDED:</p> <p><input type="checkbox"/> CHILLER COVERAGE: AIRSYS OR ELLIS & WATTS ONLY</p> <p><input type="checkbox"/> GE SUPPLIED COILS</p> <p><input type="checkbox"/> ILINO SUPPORT</p> <p><input type="checkbox"/> SPECTROSCOPY</p> <p><input type="checkbox"/> SYSTEM USAGE: 00000000-0000999 Patients</p> <p>EXCLUDED:</p> <p><input type="checkbox"/> PERIPHERAL DEVICES</p> <p><input type="checkbox"/> Printers</p> <p><input type="checkbox"/> UNINTERRUPTED POWER SUPPLY</p> <p><input type="checkbox"/> WORKSTATION</p>	<p><input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-5PM</p> <p><input type="checkbox"/> FE Onsite Response Time: 24 Hours</p> <p><input type="checkbox"/> iCenter</p> <p><input type="checkbox"/> InSite/Tech Phone Support</p> <p><input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM</p> <p><input type="checkbox"/> Remote Console: Excluded</p> <p><input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-MR</p> <p><input type="checkbox"/> Software Upgrades and Updates: Software and Quality Updates</p> <p><input type="checkbox"/> TIP Answer Line</p> <p><input type="checkbox"/> Uptime Commitment: 95%</p>	<p>Old Annual Amount: \$62,310*</p> <p>Incremental Annual Amount: -\$2,310</p> <p>New Annual Amount: \$60,000*</p>



Equipment Identifiers	Trans. Type	Equipment	Current Contract Information	Current Annual Amount	Effective Date	Offering	Options	Features	Incremental Annual Amount
System ID: 615TOICR Contract: 0359415 MSA - 2013- 0 Global Order #: 2948143 Asset No: MSC282- GE13+2948143+1P1- 0000000001590510-9998	MODIFY: Price Modify	GE MR MR MAGNET MAINTENANCE AND CRYOGEN (MSC282)	Contract # 0359415 MSA - 2013- 0 Start: 9/5/13, End: 1/31/17 Phy Loc Act: 962099 Annual Amount: \$30,485.04 MAGNET MAINTENANCE & CRYOGEN- US FE Coverage HOURS/DAYS :1 Hour Travel Before/After FE Coverage M- F 0800-2100-US M-F 0800-2100-US FE Onsite Response Time : 99-US Entitlements: MAGNET: 0.5T; 1.0T; 1.5T (NON-TWIN)-US; Parts Shipping: Included: Next Day 10:30 AM LST-GENERAL-US; No SPH Part Fee for Hard Down: NO-US; InSite Response: 00-US; No OT Billing Provision: NO-US; InSite OnWatch: NO-US; InSite/Tech Phone Support: YES-US	\$30,485	7/1/2015	Magnet Maintenance and Cryogen			Old Annual Amount: \$30,485* Incremental Annual Amount: -\$485 New Annual Amount: \$30,000*

NET ADJUSTMENT TO CONTRACT:

\$92,795

(\$2,795)

The existing Agreement is hereby amended for valuable consideration. Equipment listed above will be added to, deleted from, or modified on the Agreement subject to terms of contract Deliverables document for indicated service offering. Coverage will end on the current Agreement and date unless the Agreement is subsequently renewed or replaced. If there is a conflict between this Amendment and any other terms and conditions in the Agreement or Transaction Schedule, the terms and conditions of this Amendment will prevail. This Addendum shall commence on the LATER OF: (a) the Effective Date of this Addendum or (b) the date of signature below if Customer does not sign and return this Addendum within fifteen (15) calendar days of the Effective Date.

Estimated Usage (for applicable systems and offering combinations only): Within 90 days after expiration of warranty, and at the end of each one-year anniversary date of the Agreement, GE will review your actual system usage during the prior 12-month period, and if applicable will adjust your estimated usage effective the first day of the next contract year. Corresponding adjustments will be made to your Normal Fixed Charges, effective on such date, to reflect your new estimated usage.

Customer:

GE Healthcare:

Approved By: _____ Title: _____ Approved By: _____ Title: _____
Signature: _____ Date: _____ Signature: _____ Date: _____



Equipment Model/ID	Thru Type	Equipment	Current Contract Information	Current Annual Amount	Effective Date	Offering	Options	Feature	Incremental Annual Amount
System ID: 61510CR Contract: 0359415 PCA - 2013-0 Global Order # 2948143 Asset No: MSC282 000000001690510-9998	MODIFY: Price Modify	GE MR MR MAGNET MAINTENANCE AND CRYOGEN MSC282	Contract # 0359415 PCA - 2013-0 Start: 9/5/13, End: 1/31/17 Phy Loc Accl: 962099 Annual Amount: \$30,485.04 MAGNET MAINTENANCE & CRYOGEN US FE Coverage HOURS/DAYS: 1 Hour Travel Before/After FE Coverage: M- F 0800-2100-US M-F 0800-2100-US FE Oracle Response Time: 99-US Endorsements: MAGNET 051 LOT 1.5T MON-TWIN-US, Parts Shipping Included: Next Day 10:30 AM 1.5T-GENEBAU-US, No SPH Part Fee for Hard Down: NO-US, Inside Response: 00-US, No OT Billing Provision: NO-US, InSite OnWatch, NO-US, InSite/Tech Phone Support, YES-US	\$30,485	7/1/2015	Magnet Maintenance and Cryogen			Old Annual Amount \$30,485 Incremental Annual Amount -\$485 New Annual Amount \$30,000

NET ADJUSTMENT TO CONTRACT

\$92,795

\$2,795

The existing Agreement is hereby amended for valuable consideration. Equipment listed above will be added to, deleted from, or modified on the Agreement subject to terms of contract. Subsequent to terms of contract, the Agreement shall be amended for indicated services offering. Coverage will end on the current Agreement and date unless the Agreement is subsequently renewed or extended. If there is a conflict between this Amendment and any other terms and conditions in the Agreement or Transaction Schedule, the terms and conditions of this Amendment shall prevail. This Addendum shall constitute the LATEST OF (a) the above Effective Date of Customer sign and return the Addendum within fifteen (15) calendar days of the Effective Date or (b) the date a signature below of Customer does not sign and return the Addendum within fifteen (15) calendar days of the Effective Date.

Estimated Usage: For applicable systems and offering combinations only. Within 30 days after expiration of warranty, and at the end of each one-year anniversary date of the Agreement, GE will review your actual system usage during the prior 12-month period, and if applicable will adjust your estimated usage effective the first day of the next contract year. Corresponding adjustments will be made to your Normal Field Charge, effective on such date to reflect your more standard usage.

Customer:

Approved By: Joseph Smith Title: AdministratorSignature: John Spurd Date: 10/16/15

GE Healthcare

Approved By: William Edwards Title: HSASignature: William Edwards Date: 10/30/2015

GE Company Proprietary and Confidential

2015.05.27 - ePR20150510, Q20150315, SS0212068298 See 776b

SECTION B – PROJECT COST – ITEM # II.E.1.a.1(ii)
(Optima MRI FMV Purchase Price)



GE Healthcare

Date: 05-29-2015
Quote #: PR2-C48506
Version #: 5

Tennessee Orthopaedics
1616 W Main St Ste 200
Lebanon TN 37087

Attn: Tosha Smart
555 Hartsville Pike Gallatin
TN 37066-

Customer Number :
Quotation Expiration Date: 06-05-2015

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranties; (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

By signing below, each party certifies that it has not made any handwritten modifications.

Governing Agreement:	None
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	Due ON Receipt - 30 Days
Total Quote Net Selling Price:	\$1,210,156.70

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

- ☐ Cash/Third Party Loan
☐ GE HFS Lease
☐ GE HFS Loan
☐ Third Party Lease (please identify financing company)

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date 10/5/2015

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE
J McNatt

Signature Date 05-29-2015

Product Sales Specialist
Email: J.Mcnatt@med.ge.com
Mobile: +1 865 382 7555
Fax: 865-381-1558



GE Healthcare

Date: 05-29-2015
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Total Quote Selling Price
Trade-In and Other Credits

\$1,210,156.70
\$0.00

Total Quote Net Selling Price

\$1,210,156.70

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

J McNatt

Mobile: +1 865 382 7555

Email: J.Mcnatt@med.ge.com

Fax: 865-381-1558

Payment Instructions

Please Remit Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "Payment Instructions" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above



GE Healthcare

Date:
Quote #:
Version #:

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Item No.	Qty	Catalog No.	Description
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1	1	S7525MS	Optima MR450w 1.5T MR System - MSK with Flex Arrays
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The Optima MR450w 1.5T MR system from GE Healthcare is designed to deliver a comfortable patient-friendly environment while also delivering uncompromised clinical performance and streamlined workflow.

The MSK configuration includes the system electronics, operating software, imaging software, post-processing software:

- eXtreme Gradient Technology
- Acoustic Reduction Technology
- OpTix RF Receive Technology
- T/R Body Coil & T/R Head Coil
- Volume Reconstruction Engine
- Computing Platform and DICOM
- Express Patient Table
- Express 2.0 Workflow and In-Room Operator Console
- ScanTools
- 16-ch Head Neck Spine Array
- 16-ch Flex Array Suite - Standard (Medium and Large)
- Flex Coil Positioner
- 3-ch Shoulder Array

eXtreme Gradient Technology: The Optima MR450w delivers high temporal resolution through 3-axis gradient amplifier power supply and efficient gradient coil design as well as high spatial integrity through excellent magnet homogeneity and gradient linearity over a large FOV. In addition, the XRM gradients are non-resonant and actively shielded to minimize eddy currents, and use an innovative digital control architecture design to deliver high fidelity, accuracy and reproducibility.

- Peak amplitude per axis: 34 mT/m
- Up to 150 T/m/s instantaneous peak slew rate per axis
- Peak current & voltage: 660 Amps, 1650 Volts
- Digital PI feedback loop control
- Maximum FOV: 50cm
- Duty cycle: 100%

Acoustic Noise Reduction Technology: The Optima MR450w system features five levels

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Item No.	Qty	Catalog No.	Description
			<p>of acoustic reduction technology to deliver an enhanced patient environment.</p> <ul style="list-style-type: none">• Gradient & RF coil isolation• Acoustic dampening material• Vibro-acoustic isolation• Gradient waveform optimization <p>The OpTix RF receive chain enables high bandwidth, high channel count reception with improved SNR over conventional MR receiver designs. The MR signal is digitized within the scan room and then optically transmitted to the reconstruction engine in the electronics room increasing SNR for all volume acquisitions.</p> <ul style="list-style-type: none">• Simultaneous channel/receivers: 16• Receiver sampling per channel: 80 MHz• Receiver dynamic range at 1 Hz BW: >165 dB• Receiver resolution: up to 32 bits• Digital quadrature demodulation <p>T/R Body Coil and T/R Head Coil: The Optima MR450w system includes a transmit-and-receive RF body coil and a split-top transmit-and-receive RF head coil. The RF body coil is integrated into a single module with the gradient coil, which is both water and air cooled for excellent duty cycle performance and patient comfort.</p> <p>Volume Reconstruction Engine: The Optima MR450w system features a powerful volume reconstruction engine with onboard memory and local raw data storage to support and maintain simultaneous data acquisition and reconstruction under the most demanding applications. VRE uses 64-bit computing, delivering high acquisition memory and fast performance. Parallel processing and high speed interconnects provide scalable memory and throughput. The acquisition to disk feature automatically expands the memory per the demands of the application.</p> <p>The VRE 5.0 volume reconstruction engine delivers the performance needed for challenging, data-intensive applications that use RF high channel counts and advanced parallel imaging. VRE 5.0 enables enhanced speed compared to previous generations due to solid state hardware and core performance gains.</p> <ul style="list-style-type: none">• 14,000 2D FTTs/sec with 256 squared and full FOV• Dell R620XL (Intel) with Scientific Linux (RT) OS• 48GB RAM with 8 @ 2.5Ghz Cores <p>Computing Platform: The Intel Xeon Nehalem Dual Core Processor computing platform</p>



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Item No.	Qty	Catalog No.	Description
			<p>utilizes a parallel, multi-processor design to enable simultaneous scanning, reconstruction, filming, post-processing, archiving, and networking. The keyboard assembly integrates an intercom speaker, microphone, volume controls, and emergency stop switch. Start scan, pause scan, stop scan and table advanced to center hot keys are also included.</p> <ul style="list-style-type: none">• 8GB DDR3 Memory• 146GB SAS disk subsystem• 24" flat panel LCD with 1920x1200 resolution• Single tower configuration• DVD interchange <p>DICOM: The Optima MR450w system generates MR Image, Secondary Capture, Structured Report, and Gray Scale Softcopy Presentation State DICOM objects. The DICOM networking supports both send and query retrieve as well as send with storage commit to integrate with PACS archive.</p> <p>Express Patient Table: The Express patient table is fully detachable – easily docked and undocked by a single operator – and simple to move in and out of the exam room for patient transport and preparation. These features can be vital in instances where multiple patient transfers can negatively impact patient care or when emergency extraction is required.</p> <p>In addition, the Express patient table enables patient preparation for an exam outside of the scan room, thus reducing the necessary steps before starting the acquisition. Surface coil positioning, IV poles, arm boards, support pads and blankets are easily setup in advance of entering the exam room. The Express Patient Table offers head- or feet first imaging for most anatomies.</p> <ul style="list-style-type: none">• Maximum patient weight for scanning: 500 lbs• Patient table drive: Automated, power driven vertical & longitudinal• Longitudinal speed: 30 cm/sec (fast) and 0.5 cm/sec (slow)• Total cradle length: 211 cm• Scan range: 205 cm <p>Workflow: Express Workflow 2.0 incorporate features designed to streamline and automate exams.</p> <ul style="list-style-type: none">• In-Room Operator Console and controls• Protocol Libraries & Management Tools



Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• Workflow Manager & Auto Functions• Inline Processing, Networking & Viewing• Start Scan, Stop Scan, Pause/Resume Scan <p>The In-Room Operator Console and dual-sided controls enable interaction with the host computer from the magnet room. The user has direct control or selection of:</p> <ul style="list-style-type: none">• Display of patient name, ID, study description• Display and entry of patient weight• Display and entry of patient orientation and position• Cardiac gating waveform display• EKG lead confirmation with gating control• Respiratory waveform display• IntelliTouch Landmarking• AutoStart• Display of coil connection and status• Display of table location and scan time• Screen saver <p>Express Exam enables complete control of protocols for prescription, archiving, searching, and sharing. Protocols are organized into two libraries – GE authored and Site authored – Protocol Notes allow customized notes to be saved with each protocol. ProtoCopy enables a complete exam protocol, from either a library or previous exam, to be shared with a mouse click, and the Modality Worklist provides an automated method of linking exam and protocol information for a patient directly from a DICOM Worklist server.</p> <p>The Workflow Manager controls the execution of scan prescription, acquisition, processing, viewing and networking and may automate these steps, when requested by the user. AutoStart automatically starts the first acquisition as soon as the technologist exits the magnet room, and AutoVoice ensures that consistent and repeatable instructions are delivered to the patient.</p> <p>Processing steps are automatically completed with Inline Processing once the data have been reconstructed and the images saved into the database. For certain tasks, the user must accept the results or complete additional steps prior to saving the images. These automatic Inline Processing steps can be saved into the Protocol Library.</p>



Item No.	Qty	Catalog No.	Description
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Inline Viewing allows the user to conveniently view, compare, and analyze images from the Scan Desktop by selecting the desired series from the Workflow Manager.

ScanTools: ScanTools 25.0 deliver an expansive portfolio of advanced applications, imaging options, and visualization tools packaged with the system operating software to provide extensive clinical capability and enhanced productivity.

Advanced Neuro Applications:

- IDEAL FSE & GRE-based fat-water imaging
- PROPELLER 3.0 motion robust radial FSE
- PROPELLER 3.0 FSE-based diffusion imaging
- 3D Cube 2.0 FSE-based 3D imaging
- Dual Inversion 3D Cube imaging
- Spin Echo & Fast Spin Echo Suites
- T1-FLAIR & T2-FLAIR Suite
- Gradient Echo & Fast GRE Suites
- Spoiled Gradient Echo & Fast SPGR Suites
- Echo Planar, EPI FLAIR & fMRI EPI Suites
- EchoPlus with RTFA diffusion imaging
- 3D FIESTA & 3D FIESTA-C steady-state imaging
- 3D BRAVO IR-prepped fast SPGR imaging
- 3D COSMIC modified steady-state imaging
- 2D/3D MERGE multi-echo recombined GRE imaging
- BrainSTAT GVF & AIF parametric maps

Advanced Spine & MSK Applications:

- Cartigram
- LAVA Flex
- IDEAL FSE & GRE-based fat-water imaging
- PROPELLER 3.0 motion-robust radial FSE
- 3D Cube 2.0 FSE-based 3D imaging
- Spin Echo & Fast Spin Echo Suites
- Gradient Echo & Fast GRE Suites
- 3D COSMIC modified steady-state imaging



GE Healthcare

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Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• 2D/3D MERGE multi-echo recombined GRE imaging• High Bandwidth FSE artifact reduction• Spectral Spatial Fat Suppression <p>Advanced Vascular Applications:</p> <ul style="list-style-type: none">• 2D/3D Time-Of-Flight & 2D Gated Time-of-Flight• 2D/3D Phase Contrast & Phase Contrast Cine• SmartPrep automated bolus detection• Fluoro Trigger real-time bolus monitoring• 3D QuickStep automated multi-station imaging• Magnetization Transfer• Flow Compensation• Peripheral & EKG Gating & Triggering• Respiratory Compensation, Gating & Triggering <p>Advanced Imaging Tools:</p> <ul style="list-style-type: none">• ARC & Turbo ARC data-based parallel acceleration• ASSET 3.0 image-based parallel acceleration• Real Time Field Adjustment for DWI• Chemical Shift Direction Selection• 2D/3D GradWarp compensation• Acoustic Reduction Technology• IR Prep, DE Prep & T2 Prep• Full Echo Train & Tailored RF• Spectral Spatial Fat Suppression• SPECIAL IR Fat Suppression• ASPIR Fat Suppression• Matrix ZIP 512 & ZIP 1024• 3D Slice 2X ZIP & 4X ZIP• Square Pixel & Rectangular FOV• No Phase Wrap & No Frequency Wrap• Extended Dynamic Range <p>Advanced Processing & Display:</p>



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Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• Inline Viewing & Inline Processing• Image Fusion & Image Pasting• SCIC & PURE surface coil intensity correction• Multi-planar Volume Reformat• Interactive Vascular Reformat• ClariView Image Filtering• Compare Mode & Reference Image• Cine Paging (128 images/4 windows @ 30fps)• Flow Analysis post-processing <p>Advanced FuncTool Analysis:</p> <ul style="list-style-type: none">• ADC maps & eADC mapping• Correlation Coefficient analysis• NEI Negative Enhancement Integral analysis• MTE Mean Time To Enhance analysis• Positive Enhancement Integral analysis• Signal Enhancement Ratio analysis• Maximum Slope Increase analysis• Maximum Difference Function analysis• Difference Function analysis <p>The 16-channel Head/Neck/Spine (HNS) Array delivers convenience without compromise. This 29-element coil serves as a high-resolution brain coil, high-density neuro-vascular array, and a multi-element spine coil in one convenient package. Designed to accommodate multi-dimensional parallel imaging in any scan plane, this coil yields unprecedented imaging speed and superior image quality, thanks in large part to a unique element arrangement that focuses the signal over the anatomy of interest.</p> <p>The 16-channel Flex Array Suite - Standard - is a versatile set of high density 16-channel coils designed to give high quality images in a wide range of applications. The high degree of flexibility is particularly advantageous when imaging patients that do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils.</p> <p>This standard set provides the two most commonly used flex coils, Medium and Large,</p>

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Item No.	Qty	Catalog No.	Description
			<p>and a knee stabilization fixture that is designed for compatibility with the standard curved table. With these two coils and the included accessories, this suite covers a broad range of muscular skeletal applications, including hand, wrist, elbow, shoulder, hip (unilateral and bilateral), knee, ankle, and foot. In addition, the coils versatility has been shown in a range of general purpose applications that include head, neck, and spine exams.</p> <p>The Flex Positioner is a multipurpose support for a broad range of exams including foot, ankle, forefoot, knee, and head. A dedicated forefoot attachment allows the flex array elements to be wrapped tightly around the foot, yielding improved image quality. A repositionable support pad in the foot and ankle attachment allows for selection of a 90 degree position, or a relaxed position of the ankle. The pads and straps included with the stabilizer facilitate rapid setup and allow for flexibility in how the anatomy is secured.</p> <p>The 3-channel Shoulder Array offers the increased signal-to-noise characteristic of phased-array technology, along with a unique sleeve design that delivers exceptional joint-imaging capabilities. The coil provides clear definition of the shoulder joint, specifically the head of the humerus, clavicle, acromion, supraspinatus muscle and ligaments. Patient comfort pads and restraining straps are included.</p>
2	1	S4500WE	<p>Optima MR450w 1.5T Magnet, Gradient, RF Body Coil and Dock Collector for 16-Channel System</p> <p>To improve the patient experience and provide high image quality, no other component of an MRI system has greater impact than the magnet. The Optima MR450w system features a short, wide bore magnet that delivers a large field of view. The magnet geometry has been optimized to reduce patient anxiety by providing more space in the bore and more exams with the patient's head outside of the magnet. The 50cm field of view provides uniform image quality and can reduce exam times since fewer acquisitions may be necessary to cover large areas of anatomy. Complemented by GE's active shielding technology, the Optima MR450w has very flexible installation specifications to provide easy siting. And with zero-boil-off magnet technology, helium refills are effectively eliminated, thus reducing operating costs and maximizing uptime.</p> <p>Magnet:</p> <ul style="list-style-type: none">• Manufactured by GE Healthcare.• Operating field strength 1.5T (63.86 MHz).• Active magnet shielding.• Zero boil-off Cryogenics.



Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• Magnet length 145cm.• Patient Aperture 76 cm.• Patient Bore Diameter 70cm.• Patient Bore Length 105cm.• Maximum Field of View 50 cm.• Magnet Homogeneity at 47 cm x 42 cm (R x Z) volume ≤ 1.25.• Fringe field (axial x radial).• 5 Gauss = 4.0 m x 2.5 m.• 1 Gauss = 6.2 m x 3.7 m. <p>eXtreme Gradient Platform: The powerful gradient performance of the Optima MR450w system enables high resolution and fast acquisitions. The gradient platform includes the eXtreme Gradient Driver (XGD) and the optimized large field of view gradient coil. The eXtreme Gradient Drive (XGD) is housed within a single cabinet to simplify installation. Each axis is driven by a dedicated power supply and amplifier to ensure consistent performance for all image orientations. By incorporating a water-cooled architecture, this system supports continuous peak operation with a 100% duty cycle and excellent stability for both long-term serial studies and advanced applications.</p> <ul style="list-style-type: none">• Peak Gradient Amplitude of 34 mT/m per axis.• Peak Gradient Slew Rate of 150 T/m/s per axis. <p>Quiet Technology: GE has implemented Quiet Technology on critical components of the Optima MR system to reduce acoustic noise and improve the patient environment. This technology enables full use of the eXtreme Gradient Platform for excellent image quality, while maintaining a safe environment for the patient. The technology encompasses the gradient coil, RF body coil, and magnet mounting.</p> <p>The Optima MR450w Dock and Switch Collector is critical for the detachable table. The MR450w Liberty Dock provides the interface between the magnet and Express Patient table.</p>
3	1	S7505EJ	<p>MR450w Preinstallation Collector and Cable Concealment Kit</p> <p>The Preinstallation Collector delivers to the site in advance of the magnet and main electronic components. This facilitates the later delivery and installation of supporting electronics. The following are the main components in the Preinstallation collector:</p> <ul style="list-style-type: none">• Heat exchange cabinet for distribution of chilled water.• Primary Penetration wall panel for support of the penetration cabinet.• Secondary Penetration wall panel for support of gradient filters, helium cables,



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Item No.	Qty	Catalog No.	Description
			and chilled air and water. <ul style="list-style-type: none">• Helium cryocooler hose kit. The Optima MR450w Cable Concealment Kit accommodates a wide-range of scan room ceiling heights and is designed to provide a clean-look installation by concealing the overhead cabling from view.
4	1	S4500YH	<p>Optima MR450w Cable Configuration - A</p> <p>To accommodate various electronic and scan room configurations and sizes, the MR450w has preset lengths of cables and connector kits to speed system installation. This cable collection is compatible with fixed and relocatable building configurations.</p>
5	1	M7000VM	<p>Vibroacoustic Dampening Kit</p> <p>Material in the Vibroacoustic Dampening Kit can significantly attenuate the transmission of gradient-generated acoustic noise through the building structure to nearby areas, including adjacent rooms and floors above or below the MR suite. If this kit is applied during the installation of a new magnet, no additional service charges are necessary. However, installation of the Vibroacoustic Dampening kit under an existing magnet requires special steps. The steps to prepare the site and steps to install, such as modifications to the RF screen room, and other magnet rigging, modifications to the RF screen room, and other finishing work, are not covered in the pricing.</p>
6	1	M7000WL	<p>Main Disconnect Panel</p> <p>The Main Disconnect Panel safeguards the MR system's critical electrical components, by providing complete power distribution and emergency-off control.</p>
7	1	M7000DA	<p>iROC - In Room Operator Console Control: English</p> <p>English version of the Scan Control Interface for the host computer and MR450/MR750 MR magnet. This hardware interface includes the ergonomically designed keyboard, two-way communication and voice command module between the host workspace and scanner, activation buttons for patient table control, acquisition interface to initiate the scanner, and emergency stop switch.</p> <p>English version of the dual control panels for the In Room Operator Console. The control panels include backlighting for easy visualization in darkened rooms, automated button highlights that signal which button to press for simplified workflow and ease of use, and a trackball with mouse buttons for interaction with the Operator Console and patient setup screens.</p>
8	1	M1000MW	<p>Operator's Console Table</p>

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			Wide table designed specifically for the color LCD monitor and keyboard.
9	1	M3335CB	<p>1.5T Calibration Phantom Kit</p> <p>This 1.5T calibration kit contains a large volume shim phantom, a daily quality assurance phantom, an echo-planar calibration phantom, and the associated loader shells.</p>
10	1	M3335CA	Calibration Kit Phantom Holder Cart
11	1	R32052AC	Standard service package delivered for the warranty period.
12	1	M3335MC	<p>1.5T 8-Channel Body Array - GE Coils</p> <p>The 8-Channel Body Array is designed for high definition MR imaging of the chest, abdomen and pelvis. This 12-element, quadrature phased-array coil provides extensive coverage, enabling multi-station anatomical and vascular imaging of the chest-abdomen or abdomen-pelvis without repositioning the coil. The array is optimized for use with ASSET acceleration for enhanced breath-hold imaging procedures.</p>
13	1	M7000SD	<p>1.5T Small Flex Coil with Interface - P Connector</p> <p>The Small Flex Coil is the smallest of a versatile set of high density 16-channel receive coils designed to give high quality images in a wide range of applications. The smallest of these three coils is optimized for the reduced field of view and improved image quality needed in hand, wrist, and elbow imaging applications. Together with an extra interface assembly, this coil is ideal for MR sites doing a higher volume of musculoskeletal scans.</p> <p>The high degree of flexibility is particularly advantageous when imaging patients that do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils.</p> <p>The Small Flex Coil is compatible with the Discovery MR450 and Optima MR450w systems with the standard Express Patient Table and also with the MR450w systems with the GEM Express Patient Table.</p> <p>Includes:</p> <ul style="list-style-type: none">• 1.5T Small Flex Coil.• Flex Interface Module 16-channel Fixed, P-Connector.• Flex Interface Module Cover.
14	1	E8912CA	GE Optima MR450w Heat Exchangers - 49kW (20 Tons)

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Item No.	Qty	Catalog No.	Description
			<p>Cooling for your GE Healthcare MR system has never been so easy. GE Healthcare has partnered with the Glen Dimplex Group, a world leader in cooling systems, to offer heat exchangers designed to meet the needs of your Discovery MR System. Now you can look to GE Healthcare for your entire MR purchase and support.</p> <p>This heat exchanger is highly reliable and the only unit verified to perform with the new platform of GE Healthcare MR systems. As part of your integrated GE Healthcare solution, you'll work with a single contact throughout the whole installation. A Project Manager of Installation will help with building layout, room designs, delivery and installation - every step until your system is ready to scan. Our team will work seamlessly with architects, contractors and your internal team to help ensure timely, cost-effective completion.</p> <p>Once your cooling system is running, you'll get fast, highly-skilled service support managed through GE Healthcare - with the same quality and response time you expect from your MR system.</p> <p>FEATURES AND BENEFITS</p> <ul style="list-style-type: none">• Designed to provide stable fully dedicated cooling for your MR system's needs• Water/glycol outdoor-air-cooled heat exchangers to support your highest exam volumes and your full range of diagnostic procedures• Redundant fluid pumps with automatic switchover let you keep operating with no loss of cooling even if one pump goes down• Quad compressor, dual tandem refrigeration circuit design saves on energy while your system smoothly transitions through the 10% to 100% heat load capacity cycles of patient scanning and idling• Quiet operation between patient exams and overnight - ideal for facilities in residential areas• Comes with installation support, installation visits, preventative maintenance visit and 1 full year of parts and labor warranty• Installation support includes: support through GE's Project Manager of Install, GE's Design Center, technical support from the Glen Dimplex company, two (2) installation visits• Comprehensive and quality service rapidly delivered through our CARES service solution• 65 gallons of 100% glycol concentrate for complete system filling and diluting• Wall mounted remote display panel provides the ability to monitor the system's operation and indicates possible system errors• Filter kit with flow meter helps to ensure purity of water prior to entry to the MR system



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			<ul style="list-style-type: none"> Highly recommended that Vibration Isolation Spring Kit (E8911CJ) be added for systems that will be roof top mounted <p>SPECIFICATIONS</p> <ul style="list-style-type: none"> Net Cooling Capacity: 49 kW / 20 Ton Maximum Coolant Flow: 35 gpm (132 l/m) Coolant Outlet Temperature: 48 F (8.9 C) Coolant Temp Stability: E 1.8 F (E1.0 C) Max Coolant Pressure : 70 Psi (4.8 Bar) Refrigerant: R407C Ambient Temp Range: -20 to 120 F (-30 to 50 C) Condenser Air Flow (Approx): 18,000 Cfm Tank Capacity: 100 gal (378 l) Flow Meter Range: 4-40 gpm Filters: 50 micron cartridge filters Supply Voltage: 460v / 3 phase / 60 Hz Coolant Connections: 2" NPTF Overall Size (L x W x H) 44" x 136" x 84.5" <p>COMPATIBILITY:</p> <ul style="list-style-type: none"> GE Optima MR450w 1.5T MR System <p>NOTES:</p> <ul style="list-style-type: none"> Item is NON-RETURNABLE and NON-REFUNDABLE
15	1	E8823M	<p>Magnacoustics Genesis ULTRA Communication & Music System</p> <p>The Magnacoustics Genesis ULTRA is the only MRI Communication & Music System to interface directly with GE's MRI hardware and software. This allows software driven Auto Voice Commands from GE's computer to be delivered directly into the patient's ears for breath-hold sequences. This same interface allows the Technologist to talk directly to the patient through the console Mic even while the scan is in progress. The Genesis ULTRA also features an exclusive Patient Ready Signal. By simply depressing a small button on the handheld control an audible and visual signal is transmitted to the Technologist indicating the patient's readiness for the scan to begin. This simple step streamlines the breath-hold exam which amounts to approximately 30% of all exams. Patient Handheld Volume and Media Selection Controls with Voice Feedback interface with an FM/AM stereo, CD player, and iPod interface. This distracts even the most apprehensive of your patients by allowing them to be in control of their own</p>

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			<p>environment. Additionally, the Auto Gain feature automatically raises and lowers the volume level for the patient based on the Sound Pressure Level of the MRI.</p> <p>Magnacoustics also provides the only patented 8-driver transducer that provides the highest sound directly to the patients ears with the MagnaLink Headset System. This patented system includes a stethoscope-style headset with the MagnaPlug (replaceable earplug) that provides 29dB of attenuation and complies with GE Healthcare MR Safety Guide Operator Manual.</p> <p>The Genesis ULTRA's See-In-the-Dark GUI Electroluminescent Backlit Technologist Control Unit enhances operation in the normally low-lit MRI environment allowing the Technologist to operate the entire system with the touch of a button.</p> <p>The Genesis ULTRA includes an integral interface for fMRI with built-in input for audio stimulation and output for responses...E</p>
16	1	E8803BE	<p>Physician's Chair with Padded Arms</p> <p>Physician's chair has padded arms for comfort and comes in a charcoal gray color that blends with any environment. Chair adjusts from 16.75 in. to 21 in. (42.5 cm x 53.3cm) and is only for use in the MR Control Room. Weighs 45 lbs.</p>
17	1	W0106MR	<p>TiP Discovery and Optima Family Training 10 Days Onsite Plus 10 Hrs TVA</p> <p>The TiP Training Choices program is designed for CURRENT GE customers WITHOUT HDx experience who purchase a Discovery or Optima system. Training is delivered onsite at the customer's facility and instructs students in start-up operation of the system and introduces participants to the system design, workflow, new options and clinical applications included. Extended TVA support ensures learners maintain performance over the long term.</p> <p>This training program must be scheduled and completed within 36 months after the date of product delivery.</p>
18	1		Sum of remaining rents and shipping fee for GE 1.5T HDe
19	1		Rigging GE HDe from MRI to truck
20	1		Rigging 450w from truck to MRI

Quote Summary:

Total Quote Net Selling Price

\$1,210,156.70

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

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Item No.	Qty	Catalog No.	Description
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General Terms and Conditions

GE Healthcare

These GE Healthcare General Terms and Conditions supplement and incorporate by reference the GE Healthcare Quotation that identifies the Product and/or Service offering purchased or licensed by Customer and the following documents, as applicable, if attached to or referenced in the Quotation: the GE Healthcare (i) Warranty(ies); (ii) Additional Terms and Conditions or Statement of Service Deliverables and Product Schedule; and (iii) Product or Service Terms and Conditions, (collectively, referred to as the "Agreement").

References herein to "Products" and "Services" mean the Products (including equipment and software) and Services identified on the applicable GE Healthcare Quotation. References herein to "Healthcare IT Products" are (i) those software products identified in the Quotation as a "Centricity" product, any third party software licensed for use in connection with the Centricity software, all hardware used to operate the Centricity or the third party software, and services provided with respect to the implementation, installation or support and maintenance of the Centricity or the third party software, and/or (ii) any software, product or service that is included in a Quotation which Quotation is designated as an "Healthcare IT Quotation".

1. General Terms.

1.1. Confidentiality. Each party will treat the terms of this Agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat GE Healthcare's (and GE Healthcare's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this Agreement or as required by law (with reasonable prior notice to GE Healthcare) or as is required by the U.S. Federal government in its capacity as a customer. The receiving party shall have no obligation with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this Agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure. GE Healthcare understands that Customer may be subject to State Open Records laws. Customer shall not be prohibited from complying with such Open Records laws if required to do so; however, Customer shall (a) promptly notify GE Healthcare in writing of any such Open Records laws requests, (b) give GE Healthcare sufficient time to challenge the request or redact any necessary information to the extent permitted by law, and (c) only provide such information as is necessary to comply with such Open Records laws.

1.2. Governing Law. The law of the State where the Product is installed or the Service is provided will govern this Agreement.

1.3. Force Majeure. Neither party is liable for delays or failures in performance (other than payment obligations) under this Agreement due to a cause beyond its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

1.4. Assignment; Use of Subcontractors. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this Agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignee agrees, in writing, to be bound by the terms of this Agreement, including the payment of any existing or outstanding fees and invoices. Subject to such limitation, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement shall not be terminable in the event of any Customer stock or asset sale, merger, acquisition or change in control, unless otherwise expressly agreed to in writing by GE Healthcare. GE Healthcare may hire subcontractors to perform work under this Agreement (including, but not limited to, work that involves access to Protected Health Information as such term is defined in 45 C.F.R. § 160.103 ("PHI")), provided that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this Agreement.

1.5. Amendment; Waiver; Survival. This Agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this Agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this Agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

1.6. Termination. If either party materially breaches this Agreement and the other party seeks to terminate this Agreement for such breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have sixty (60) days following receipt of such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may terminate this Agreement by written notice to the breaching party. If GE Healthcare determines in good faith at any time that there are material credit issues, with this Agreement, then GE Healthcare may terminate this Agreement (including warranty services hereunder) immediately upon written notice to Customer. For the avoidance of doubt, this Agreement is not terminable for convenience and may only be terminated in accordance with this Agreement.

1.7. Entire Agreement and Waiver of Reliance. This Agreement constitutes the complete and final agreement of the parties relating to the Products and/or Services identified in the Quotation. The parties agree that they have not relied, and are not relying, on any oral or written promises, terms, conditions, representations or warranties, express or implied, outside those expressly stated or incorporated by reference in this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless

agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products and/or Services, shall constitute an agreement by either party to any such terms. The parties agree that any provision in this Agreement in 'all caps' type satisfies any requirements at law or in equity that provisions be conspicuously marked.

2. Compliance.

2.1. Generally. Each party will comply with the requirements of Federal and State laws and regulations that are applicable to such party. This Agreement is subject to GE Healthcare's on-going determination that Customer and this Agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. CUSTOMER ACKNOWLEDGES THAT THE PRODUCTS ARE OR MAY BE SUBJECT TO REGULATION BY THE FDA AND OTHER FEDERAL OR STATE AGENCIES. CUSTOMER SHALL NOT USE OR PERMIT THE PRODUCTS TO BE USED IN ANY MANNER THAT DOES NOT COMPLY WITH APPLICABLE FDA OR OTHER REGULATIONS OR FOR ANY NON-MEDICAL, ENTERTAINMENT, OR AMUSEMENT PURPOSES. Customer shall not use or permit the Product to be used or operated by any person who does not have sufficient knowledge to competently perform the required task and who is not fully trained on the operation of the Product. Customer is solely responsible for ensuring that Customer and its employees, licensed and unlicensed healthcare staff, representatives, agents and/or contractors who operate, maintain and/or have access to the Products and/or Services, excluding GE Healthcare employees, representatives, agents and/or contractors ("Customer Personnel") are properly trained and fully competent on the operation of the Product. Further, Customer represents that it is purchasing the Products for its own use consistent with the terms of this Agreement and that it does not intend to re-sell the Products to any other party or to export the Products outside the country to which GE Healthcare delivers the Products.

2.2. Cost Reporting. Customer represents and warrants that it shall comply with (a) the applicable requirements of the Discount Statutory Exception, 42 U.S.C. 1320a-7b(b)(3)(A), and the Discount Safe Harbor, 42 C.F.R. § 1001.952(h), with respect to any discounts Customer may receive under this Agreement and (b) the Warranties Safe Harbor, 42 C.F.R. § 1001.952(g), with respect to any price reductions of an item (including a free item) which were obtained as part of a warranty under this Agreement. Customer agrees that, if Customer is required to report its costs on a cost report, then (i) the discount must be based on purchases of the same good bought within a fiscal year; (ii) Customer must claim the benefit in the fiscal year in which the discount is earned or in the following year; (iii) Customer must fully and accurately report the discount in the applicable cost report; and (iv) Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. If Customer is an individual or entity in whose name a claim or request for payment is submitted for the discounted items, the discount must be made at the time of the sale of the good; and Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. GE Healthcare agrees to comply with the applicable requirements for sellers or offerors under the Discount Safe Harbor, as appropriate.

2.3. Network Security and Site Access Control. Customer shall be solely responsible for establishing and maintaining network security, virus protection, backup and disaster recovery plans for any data, images, software or equipment. GE Healthcare shall not be responsible for any recovery of lost data or images. Customer shall comply with all applicable laws and regulations related to site access control.

2.4. Environmental Health and Safety. GE Healthcare shall have no obligation to provide Products and/or perform Services until Customer (i) provides and maintains a suitable, safe and hazard-free location and environment for the GE Healthcare Products and personnel performing Services in material compliance with all applicable Federal, State, and local requirements, as well as any written requirements provided by GE Healthcare; (ii) performs GE Healthcare recommended routine maintenance and operator adjustments on the Product; and (iii) ensures that any service not provided by GE Healthcare is performed, and GE Healthcare Products are used, in accordance with applicable user documentation.

Customer shall provide written information to GE Healthcare personnel who will be present on Customer's site about Customer's safety procedures and practices as well as a list of any hazardous materials, such as asbestos, lead or mercury, on or near Customer's site that GE Healthcare personnel may come in contact with and any associated Safety Data Sheets. Customer shall be responsible for taking all necessary actions to properly abate, remove and/or remediate any hazardous conditions or materials, including removing blood, body fluids and other potentially infectious materials. GE Healthcare shall have no responsibility to abate, or liability for, any existing hazardous conditions at Customer site. Customer shall be responsible for proper management, storage and disposal of all service and/or installation-related waste, unless GE Healthcare is legally required to take back the materials (e.g., batteries, WEEE, packaging).

2.5. Parts Not Supplied By GE Healthcare. GE Healthcare recommends the use of parts that it has (i) validated through configuration and (ii) received from authorized suppliers. GE Healthcare is not responsible for the quality of parts supplied by third parties to Customer. GE Healthcare cannot assure Product functionality or performance when non-GE Healthcare parts are used on the Product.

2.6. Training. Any Product training identified in the Quotation shall be in accordance with GE Healthcare's then-current training offerings and terms. Customer agrees that completion of GE Healthcare's training offerings does not guarantee that Customer and Customer Personnel are fully and completely trained on the use, maintenance, and operation of the Product or that completion of GE Healthcare's training will satisfy any licensure and/or accreditation standards. Customer further agrees that it is Customer's sole and non-delegable duty to ensure that Customer and Customer Personnel are properly trained on and fully qualified in the use and operation of the Product. Unless otherwise stated in the training catalog description, training must be completed by Customer within twelve (12) months after (i) the date of Product delivery for training purchased with Products; (ii) the start date for Services for training purchased with Services; or (iii) the date Customer purchases training if such training is not purchased with Products and/or Services. If training is not completed within the applicable time period due to no fault of GE Healthcare, GE Healthcare's obligation to provide the training will expire without refund.

2.7. Medical Diagnosis and Treatment. All clinical and medical treatment and/or diagnostic decisions are the sole responsibility of Customer and Customer Personnel. Customer agrees that GE Healthcare is in no way responsible for the clinical and medical treatment and/or diagnostic decisions made by Customer and Customer Personnel.

2.8. Use of Data.

(a) Protected Health Information. To the extent GE Healthcare creates, receives, maintains, transmits or otherwise has access to any PHI in the course of performing under this Agreement, GE Healthcare shall only use and disclose such PHI as permitted by the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (August 21, 1996), its implementing regulations, and the Health Information Technology for Economic and Clinical Health ("HITECH") Act and its implementing regulations (collectively, "HIPAA"), and the applicable Business Associate Agreement between the Parties.

(b) Other Information. Customer agrees that GE Healthcare may also create, receive, maintain, transmit and otherwise have access to machine, technical, system, usage and related information that is not PHI, including, but not limited to, information about Customer's Product, Service, system and software, that is gathered periodically to facilitate the provision of Product support, consulting, training and other services to Customer (if any), and to verify compliance with the terms of this Agreement. GE Healthcare or its agents may use such information to provide, develop or improve GE Healthcare's products or services.

2.9. Compliance with Customer Policies. GE Healthcare will use commercially reasonable efforts to respect Customer policies to the extent that such policies apply to GE Healthcare under this Agreement, and do not materially contradict GE Healthcare policies, provided that Customer furnishes to GE Healthcare a complete copy of said policies prior to GE Healthcare's commencement of performance under this Agreement. Under no circumstances, however, will GE Healthcare's failure, or the failure of GE Healthcare's employees or contractors, to respect Customer policies constitute a material breach by GE Healthcare under this Agreement, unless such failure is willful and materially and adversely affects GE Healthcare's ability to perform its obligations under this Agreement.

2.10. Insurance. GE Healthcare shall maintain insurance coverage in accordance with its standard certificate of insurance, a copy of which is available upon Customer's request.

2.11. Excluded Provider. GE Healthcare represents that, to its knowledge, neither it nor its employees performing services under this Agreement have been excluded from participation in any Federal Healthcare Program. In the event an employee performing services under this Agreement is excluded, GE Healthcare will replace such employee within a commercially reasonable time. In the event GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

3. Disputes; Liability; and Indemnity.

3.1. Waiver of Jury Trial. UNLESS OTHERWISE EXPRESSLY PROHIBITED BY APPLICABLE LAW, EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT.

3.2. Limitation of Liability. GE HEALTHCARE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR ANY DIRECT DAMAGES INCURRED BY CUSTOMER FROM ANY CAUSE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE, ARISING UNDER THIS AGREEMENT OR RELATED HERETO, SHALL NOT EXCEED: (A) FOR PRODUCTS OR SERVICES, OTHER THAN SERVICES UNDER AN ANNUAL SERVICE CONTRACT, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR ANNUAL SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER IN ACCORDANCE WITH THIS AGREEMENT. THE LIMITATION OF LIABILITY SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.3. Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT (OR OTHERWISE IN CONNECTION WITH THE PRODUCTS AND SERVICES) FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE. THE EXCLUSION OF DAMAGES SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.4. IP Indemnification. GE HEALTHCARE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS CUSTOMER FROM ANY THIRD PARTY CLAIMS FOR INFRINGEMENT OF UNITED STATES INTELLECTUAL PROPERTY RIGHTS ARISING FROM CUSTOMER'S USE OF GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION (COLLECTIVELY, "INFRINGING PRODUCT") IN ACCORDANCE WITH THEIR SPECIFICATIONS AND WITHIN THE LICENSE SCOPE GRANTED IN THIS AGREEMENT. IF ANY SUCH CLAIM MATERIALLY INTERFERES WITH CUSTOMER'S USE OF SUCH EQUIPMENT AND/OR SOFTWARE, GE HEALTHCARE SHALL, AT ITS OPTION: (I) SUBSTITUTE FUNCTIONALLY EQUIVALENT NON-INFRINGING PRODUCTS; (II) MODIFY THE INFRINGING PRODUCT SO THAT IT NO LONGER INFRINGES BUT REMAINS FUNCTIONALLY EQUIVALENT; (III) OBTAIN FOR CUSTOMER AT GE HEALTHCARE'S EXPENSE THE RIGHT TO CONTINUE TO USE THE INFRINGING PRODUCT; OR (IV) IF THE FOREGOING ARE NOT COMMERCIALY REASONABLE, REFUND TO CUSTOMER THE PURCHASE PRICE, AS DEPRECIATED (BASED ON FIVE (5) YEAR STRAIGHT-LINE DEPRECIATION), FOR THE INFRINGING PRODUCT. ANY SUCH CLAIMS ARISING FROM CUSTOMER'S USE OF SUCH INFRINGING PRODUCT AFTER GE HEALTHCARE HAS NOTIFIED CUSTOMER TO DISCONTINUE USE OF SUCH INFRINGING PRODUCT AND OFFERED ONE OF THE REMEDIES SET FORTH IN CLAUSES (I) THROUGH (IV) ABOVE ARE THE SOLE RESPONSIBILITY OF CUSTOMER. THIS SECTION REPRESENTS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY (AND GE HEALTHCARE'S SOLE AND EXCLUSIVE LIABILITY) REGARDING ANY INFRINGEMENT CLAIM ASSOCIATED WITH SUCH INFRINGING PRODUCT. THE ABOVE INDEMNIFICATION OBLIGATION IS CONDITIONAL UPON CUSTOMER PROVIDING GE HEALTHCARE PROMPT WRITTEN NOTICE OF THE INFRINGEMENT CLAIM AFTER RECEIVING NOTICE OF SUCH CLAIM, ALLOWING GE HEALTHCARE TO CONTROL THE DEFENSE OF SUCH CLAIM, AND REASONABLY COOPERATING WITH GE HEALTHCARE IN SUCH DEFENSE. GE HEALTHCARE'S RIGHT TO CONTROL THE DEFENSE AND DISPOSITION OF THE INFRINGEMENT CLAIM SHALL INCLUDE THE RIGHT TO SELECT COUNSEL TO REPRESENT CUSTOMER AT GE HEALTHCARE'S EXPENSE; PROVIDED, HOWEVER, THAT CUSTOMER MAY RETAIN ADDITIONAL COUNSEL AT CUSTOMER'S EXPENSE. ANY EXPENSES, INCLUDING LEGAL FEES AND COSTS, INCURRED BY CUSTOMER PRIOR TO TENDERING CONTROL OF THE DEFENSE TO GE HEALTHCARE SHALL NOT BE REIMBURSABLE BY GE HEALTHCARE. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, GE HEALTHCARE SHALL NOT HAVE ANY OBLIGATION TO CUSTOMER HEREUNDER FOR INFRINGEMENT CLAIMS BASED ON OR RESULTING FROM: (A) USE OF SUCH INFRINGING PRODUCT IN COMBINATION WITH ANY COMPUTER SOFTWARE, TOOLS, HARDWARE, EQUIPMENT, MATERIALS, OR SERVICES, NOT FURNISHED OR AUTHORIZED IN WRITING FOR USE BY GE HEALTHCARE; (B) USE OF SUCH INFRINGING PRODUCT IN A MANNER OR ENVIRONMENT OR FOR ANY PURPOSE FOR WHICH GE HEALTHCARE DID NOT DESIGN OR LICENSE IT, OR IN VIOLATION OF GE HEALTHCARE'S USE INSTRUCTIONS; OR (C) ANY MODIFICATION OF SUCH INFRINGING PRODUCT BY CUSTOMER OR ANY THIRD PARTY. GE HEALTHCARE SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE OR SETTLEMENT OR

CLAIM MADE BY CUSTOMER WITHOUT GE HEALTHCARE'S WRITTEN CONSENT. THIS INDEMNIFICATION OBLIGATION IS EXPRESSLY LIMITED TO THE GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION.

3.5. General Indemnification. GE HEALTHCARE AGREES TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY THIRD PARTY DAMAGES CUSTOMER BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY A MANUFACTURING DEFECT, DESIGN DEFECT, NEGLIGENT FAILURE TO WARN, NEGLIGENT INSTALLATION, OR NEGLIGENT SERVICE WITH RESPECT TO PRODUCTS DESIGNED AND MANUFACTURED BY GE HEALTHCARE AND SUPPLIED TO CUSTOMER UNDER THIS AGREEMENT. GE HEALTHCARE SHALL HAVE NO OBLIGATION TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY DAMAGES CAUSED BY (I) CUSTOMER'S FAULT OR ANY LEGAL EXPENSES INCURRED BY CUSTOMER IN DEFENDING ITSELF AGAINST SUITS SEEKING DAMAGES CAUSED BY CUSTOMER'S FAULT AND/OR (II) ANY MODIFICATION, CHANGES AND/OR ALTERATIONS TO THE GE HEALTHCARE PRODUCT BY CUSTOMER OR A THIRD PARTY NOT AUTHORIZED OR APPROVED IN WRITING BY GE HEALTHCARE.

CUSTOMER AGREES TO RELEASE, INDEMNIFY AND HOLD GE HEALTHCARE HARMLESS FROM ANY THIRD PARTY DAMAGES THAT GE HEALTHCARE BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY CUSTOMER'S AND/OR CUSTOMER PERSONNEL (I) MEDICAL DIAGNOSIS OR TREATMENT DECISIONS; (II) MISUSE OR NEGLIGENT USE OF THE PRODUCT; AND/OR (III) USE OF THE PRODUCT IN A MANNER OR ENVIRONMENT, OR FOR ANY PURPOSE, FOR WHICH GE HEALTHCARE DID NOT DESIGN IT, OR IN VIOLATION OF GE HEALTHCARE'S RECOMMENDATIONS OR INSTRUCTIONS ON USE.

THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS SECTION 3.5 ARE CONDITIONAL UPON THE INDEMNIFIED PARTY PROVIDING THE INDEMNIFYING PARTY PROMPT WRITTEN NOTICE OF THE THIRD-PARTY CLAIM AFTER RECEIPT OF NOTICE OF SUCH CLAIM, ALLOWING THE INDEMNIFYING PARTY TO CONTROL THE DEFENSE AND DISPOSITION OF SUCH CLAIM, AND REASONABLY COOPERATING WITH THE INDEMNIFYING PARTY IN THE DEFENSE. THE INDEMNIFYING PARTY SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE MADE BY THE INDEMNIFIED PARTY OR ITS AGENTS WITHOUT THE INDEMNIFYING PARTY'S CONSENT.

4. Payment and Finance.

4.1. Generally. The payment and billing terms for the Product(s) and/or Service(s) are stated in the Quotation.

4.2. Late Payment. Failure to make timely payment is a material breach of this Agreement, for which (in addition to other available remedies) GE Healthcare may suspend performance under the GE Healthcare agreement at issue or suspend the provision of support and maintenance or licenses for the Product(s) licensed or sold under that agreement until all past due amounts are brought current. If GE Healthcare so suspends, GE Healthcare will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of one-and-one-half percent (1.5%) per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits and/or unapplied cash that may be due to Customer under an agreement may be applied first to any outstanding balance. If Customer has a good faith dispute regarding payment for a particular Product (or subsystem thereof) or Service, Customer shall notify GE Healthcare in writing of such dispute within twenty (20) days of the invoice date and shall work with GE Healthcare in good faith to promptly resolve such dispute. GE Healthcare may revoke credit extended to Customer and designate Customer and all agreements with Customer to be on credit hold because of Customer's failure to pay for any Products or Services when due, and in such event all subsequent shipments and Services shall be paid in full on receipt.

4.3. Taxes. Prices do not include sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Customer shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest or penalty by any taxing authority, Customer shall reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

5. Loaner Systems. If GE Healthcare provides a loaner system ("Loaner") to Customer pursuant to the terms of this Agreement, such Loaner shall be subject to the following provisions: (i) the Loaner shall be for Customer's temporary use, and Customer agrees to keep the Loaner at the location identified in the Quotation, and shall not move the Loaner to another location without GE Healthcare's prior written consent; (ii) Customer agrees to return the Loaner to GE Healthcare on or before the date on which GE Healthcare returns Customer's Product to Customer, and if Customer does not return the Loaner within such time period, GE Healthcare may repossess the Loaner with ten (10) days prior written notice or invoice Customer for the full list price of the Loaner; (iii) the Loaner, and all programs, information, data, business information, or other information pertaining to such Loaner shall remain GE Healthcare property; (iv) title remains with GE Healthcare, but risk of loss passes to Customer upon delivery of the Loaner; (v) Customer agrees to maintain the Loaner in proper operating condition and in accordance with GE Healthcare's operating instructions and return it to GE Healthcare in this condition, normal wear and tear excepted; (vi) Customer will not repair, or permit others to repair, the Loaner without the prior written consent of GE Healthcare; (vii) Customer agrees to furnish GE Healthcare reasonable access to the Loaner with prior notification; (viii) as Customer does not own the Loaner and is not paying GE Healthcare for its use, it is Customer's responsibility to ensure that any charge or claim submitted by Customer to a government healthcare program or patient is submitted accordingly; (ix) prior to returning the Loaner to GE Healthcare, Customer shall ensure the complete deletion of any and all information, including PHI, that may have been stored in the Loaner, or any of its accessories; (x) such deletion shall be completed in accordance with any user instructions provided by GE Healthcare and/or industry standards; (xi) in the event Customer is unable for technical reasons to complete the deletion, Customer shall provide immediate notice of this to GE Healthcare, and GE Healthcare staff shall use commercially reasonable efforts to facilitate the deletion of information; (xii) Customer agrees to indemnify GE Healthcare for any loss whatsoever resulting from any information that is not removed from the Loaner and GE Healthcare shall have no obligations whatsoever in connection with any information that is not properly removed from such Loaner by Customer. It is within GE Healthcare's sole discretion to provide Customer with a Loaner while warranty or Service repairs are ongoing. This provision is not applicable to GE Healthcare IT Products.



Product Terms and Conditions

GE Healthcare

These GE Healthcare Product Terms and Conditions supplement and incorporate by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the GE Healthcare (a) Warranty(ies) and (b) Additional Terms and Conditions; and (iii) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

1. Commercial Logistics.

1.1. Order Cancellation and Modifications.

1.1.1. Cancellation and Payments. If Customer cancels an order at any time without GE Healthcare's prior written consent, GE Healthcare has the right to charge Customer a cancellation fee of up to one-and-one-half percent (1.5%), with a maximum amount of up to \$5,000, of the price of the Products ordered. If the cancellation occurs less than thirty (30) days prior to the scheduled delivery date of any portion of the order, GE Healthcare has the right to charge Customer a cancellation fee of up to ten percent (10%), with a maximum amount of up to \$50,000, of the price of the Products ordered. GE Healthcare will retain as a credit any payments received up to the amount of the cancellation charge. If Customer cancels an order for Products for which GE Healthcare has provided site evaluation services, Customer will also pay GE Healthcare reasonable charges for such services performed prior to cancellation. If applicable for the order, Customer will pay all progress payments (other than the final payment) prior to final Product calibration, and GE Healthcare may, at its option, delay final calibration until required progress payments are received. If Customer fails to schedule a delivery date with GE Healthcare within six (6) months after order entry, GE Healthcare may cancel Customer's order upon written notice to Customer. For the avoidance of doubt, GE Healthcare IT Product Quotations and orders are non-cancellable.

1.1.2. Order Modifications. No modifications may be made to an order without GE Healthcare's prior written consent. The Product configuration listed in the Quotation is based upon information furnished to GE Healthcare by Customer, and Customer is responsible to provide and pay for modifications, if any, to the configuration due to inaccuracies or incompleteness of the information furnished to GE Healthcare by Customer, changes in Customer's needs or requirements, or for other reasons attributable to Customer.

1.1.3. Exchanges and Substitutions. Prior to acceptance as defined in [Section 1.5](#) below, GE Healthcare may, in its sole and reasonable discretion, exchange or substitute installation-related items having similar features, functionality and pricing as the originally delivered installation item that result in no price change to the Customer. This section shall not apply to Healthcare IT Products.

1.1.4. Used Product Orders. Products identified as pre-owned, refurbished, remanufactured or demonstration Products have been previously used ("Used Products"); they are not new. When delivered and/or released to Customer, such Used Products may have received reconditioning, as necessary, to meet GE Healthcare performance specifications. Since Used Products may be offered simultaneously to several customers, their sale to Customer is subject to their availability. If the Used Products are no longer available, (i) GE Healthcare will attempt to identify other Used Products in its inventory that meet Customer's needs, and (ii) if substitute Used Products are not acceptable to Customer, GE Healthcare will cancel the order and refund any deposit. Customer has paid for such Used Products.

1.2. Site Preparation. If applicable, Customer will be responsible, at its sole expense, for evaluating and preparing the site where the Products will be installed in accordance with GE Healthcare's site preparation requirements and applicable laws. Customer must provide GE Healthcare with prompt written notice if Customer is unable to prepare the site before the mutually agreed installation date. Upon receipt of such notice, GE Healthcare will reschedule the installation to a mutually agreed date. Customer shall be liable for any costs or expenses GE Healthcare or its representatives incur resulting from Customer's failure to provide GE Healthcare with timely notice of Customer's failure to properly prepare the site. GE Healthcare may, in its discretion, delay delivery or installation if GE Healthcare determines that the site has not been properly prepared or there are any other impediments to installation; provided that GE Healthcare gives Customer written notice of such delay stating the reasons therefor. If GE Healthcare provides site evaluation services, such services are intended only to assist Customer in fulfilling Customer's responsibility to ensure that the site complies with GE Healthcare's applicable site preparation requirements.

1.3. Transportation, Title and Risk of Loss; Delivery; Returns.

1.3.1. Transportation, Title and Risk of Loss. Unless otherwise indicated in the Quotation, shipping terms are FOB Destination. Title and risk of loss to equipment passes to Customer upon delivery to Customer's designated delivery location. Software is licensed to Customer; no title to or other ownership interest in such software passes to Customer.

1.3.2. Delivery. When feasible, GE Healthcare reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. At the time of such delivery, Customer will pay GE Healthcare for any amounts due upon delivery. As a matter of convenience, GE Healthcare may invoice multiple installment deliveries on a consolidated basis; however, this does not release Customer from the obligation to pay for each installment delivery provided by GE Healthcare. Delivery dates are approximate. For GE Healthcare software or documentation, delivery means the first to occur of: (i) communication to Customer through electronic means that allows Customer to take possession of the first copy or product master or (ii) delivery to Customer's designated delivery location.

1.3.3. Product Returns. Customer shall not have any right to return Products for a refund after delivery except for products shipped in error that are different from the Products listed in the Quotation.

1.3.4. Replaced Component Returns. Except for Healthcare IT Products, for upgrades and revisions Customer agrees to return any replaced component to GE Healthcare at no charge to GE Healthcare.

1.4. Installation, Certification and Professional Services. GE Healthcare will provide Product assembly, installation and calibration, as required, at no additional charge, except (i) for items excluded herein and/or (ii) as otherwise indicated in the Quotation. If installation services are identified in the Quotation, GE Healthcare will perform such services from 8am to 5pm local time, Monday-Friday, excluding GE Healthcare holidays, in accordance with applicable GE Healthcare installation guides and/or project plans. After hours installation is available for an additional fee. Customer will review the applicable GE Healthcare installation guides and/or project plans, and perform Customer's obligations as set forth in those materials. Upon completion of assembly, installation and calibration of the Products, as applicable, GE Healthcare will perform prescribed tests using its own performance specifications, instruments and procedures to verify that the Products meet GE Healthcare's applicable performance specifications.

1.4.1. Customer-Supplied Items.

- Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by GE Healthcare, unless agreed otherwise in writing by the parties.
- For Products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible for ensuring that such hardware and software conform to GE Healthcare's minimum hardware and software requirements as made available to Customer.
- Unless GE Healthcare has agreed in writing to maintain responsibility for an applicable service, Customer will be responsible for enabling the connectivity and interoperability between Customer-supplied hardware or software or other systems or devices and the Product, including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with GE Healthcare's written specifications.
- Unless otherwise agreed in writing by GE Healthcare, Customer is solely responsible for the (i) performance of and payment for any applicable rigging and/or facility costs and (ii) installation of accessory items.
- If applicable for the Product, electrical wiring and outlets, computer network infrastructure, conduit, cabinetry modification, wall mounts, ventilation and any other site preparation are not included in the purchase price and are the responsibility of Customer, unless otherwise agreed in writing by GE Healthcare.

1.4.2. Network. Unless Customer has elected to purchase network preparation and certification Services from GE Healthcare as set forth in the Quotation, Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the Products and otherwise meets GE Healthcare's written network configuration requirements.

1.4.3. License, Permits, and Approvals. Customer shall obtain and maintain all licenses, permits and other approvals necessary for installation, use and disposal/recycling of the Products, including, but not limited to, any government licenses required to use radioactive sources for Products that require the use of such sources. GE Healthcare will ship such sources to Customer only after Customer provides GE Healthcare with satisfactory evidence that Customer has obtained all required licenses for such sources. In addition, Customer will provide all radioactive sources for calibration and performance checks of Products that require the use of such sources. GE Healthcare will file any required Federal and State reports relating to its installation activities. GE Healthcare will not install, test, certify or provide its own software license or warranty for Products that are not listed in its on-line catalog or price pages at the time of sale (such Products are normally identified by NL or NW series numbers), unless otherwise agreed in writing by GE Healthcare.

1.4.4. Non-GE Healthcare Labor. If local labor conditions make it impractical to, or GE Healthcare is directed not to, use GE Healthcare's employees or pre-qualified contractors for the installation, all work will be performed by Customer's laborers or outside labor at Customer's expense; provided that GE Healthcare will, at Customer's request, furnish guidance for installation. GE Healthcare is not responsible for the quality or adequacy of any work performed by any party other than GE Healthcare or its pre-qualified contractors.

1.4.5. Non-GE Healthcare Installation. For Products that GE Healthcare is obligated to install under the terms of this Agreement, if GE Healthcare delivers the Product but fails to perform its installation obligations, then in such event Customer shall nevertheless be obligated to pay GE Healthcare an amount equal to (a) the Product purchase price set forth in the Quotation, if the Product purchase price and the installation Services price are shown as separate line items in the Quotation, or (b) if the Product purchase price and installation Services price are not shown as separate line items in the Quotation, then the Product purchase price less the fair market value of the applicable installation Services, taking into account the type of Product and level of installation required ("Installation Service FMV"). An independent third party shall determine the Installation Service FMV. Notwithstanding any other provision of this Agreement to the contrary, either the discharge of Customer's obligation to pay for installation Services shown as a separate line item(s) in the Quotation or the deduction of the Installation Service FMV, as applicable, shall be Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) in the event GE Healthcare fails to perform its installation obligations under this Agreement.

1.4.6. Information Technology Professional Services ("ITPS"). ITPS must be performed within twelve (12) months of the later of the date (i) Customer orders ITPS or (ii) of Product delivery, ("ITPS Performance Date"). If ITPS is not performed within twelve (12) months of the ITPS Performance Date for reasons other than GE Healthcare's failure to perform, GE Healthcare's ITPS performance obligation will expire without refund. ITPS includes clinical applications training, project management, HL7/HIS systems integration, database conversion, network design and integration and separately cataloged software installations. This section shall not apply to Healthcare IT Products.

1.5. Acceptance. Unless expressly provided otherwise in this Agreement, Customer shall be deemed to have accepted a Product delivered by GE Healthcare under this Agreement on the earlier of: (i) if GE Healthcare installs the Product, five (5) days after GE Healthcare notifies Customer that it has completed assembly and the Product is operating substantially in accordance with GE Healthcare's published performance specifications; (ii) if GE Healthcare does not install the Product, five (5) days after delivery of the Product to Customer; or (iii) the date Customer first uses the Product for patient use.

1.6. Warranties. Product warranties (if applicable) are set forth in the GE Healthcare warranty forms delivered with the Quotation. GE Healthcare may use refurbished parts in new Products. Any part for which GE Healthcare has supplied a replacement (excluding biomed parts, which shall be properly disposed of by Customer) shall become GE Healthcare property.

1.7. Third Party Products and Services. If GE Healthcare has agreed to provide any third party products and/or services (other than GE Healthcare accessories and supplies) to Customer as part of the Quotation, including but not limited to any Commitment Account/Non-Inventory items, (i) GE Healthcare is acquiring such products and/or services on Customer's behalf and not as a supplier of such products and/or services, (ii) GE Healthcare provides no warranties or indemnification of any kind, express or implied, with respect to such products and/or services (warranties or indemnification, if any, on such products and/or services will be provided by the manufacturer or service provider), (iii) Customer is solely responsible for ensuring that the acquisition and use of such products and/or services is in compliance with applicable laws and regulations, including applicable FDA regulations, and (iv) Customer is solely responsible for any and all claims resulting from or related to the acquisition or use of such products and/or services. This section shall not apply to Healthcare IT Products.

2. Software License.

2.1. License Grant. GE Healthcare grants to Customer a non-exclusive, non-transferable license to use for Customer's internal business purposes the GE Healthcare software, third-party software and Documentation solely for use on the Products and at the location (or, for mobile systems, in the specific vehicle) as identified in the Quotation, subject to the license scope and Documentation and other restrictions set forth in this Agreement. "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer under this Agreement. Customer may only use third-party software provided by GE Healthcare together with the GE Healthcare software and will comply with all third-party software license terms included in any click or shrink wrap license or of which GE Healthcare otherwise makes Customer aware. To the extent permitted by applicable law, licensors of third-party software shall be third-party beneficiaries of this Agreement with respect to third-party software sublicensed under this Agreement. Customer may permit its employees, agents, independent contractors and healthcare providers with privileges at Customer's facilities to use the software and Documentation; provided, however, that Customer shall be responsible for any acts of such third parties that are inconsistent with this Agreement. Notwithstanding the foregoing, independent contractors that supply products comparable to the software shall be provided access to the software only with GE Healthcare's prior written consent and subject to any conditions GE Healthcare deems appropriate to protect its confidential and proprietary information. Customer acknowledges that GE Healthcare may request Customer and Customer Personnel to register online as a licensee for receipt of certain service software and related Documentation.

2.2. Additional License Terms. Without GE Healthcare's prior written consent, Customer may not: (i) copy, sublicense, distribute, rent, lease, loan, resell, modify or translate the software or create derivative works based thereon, except that to the extent applicable, the software may be configured as specifically permitted in the Documentation; (ii) directly or indirectly decompile, disassemble, reverse engineer or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the software; (iii) provide service bureau, time share or subscription services based on the software; (iv) remove, obscure or modify any markings, labels or any notice of the proprietary rights, including copyright, patent and trademark notices of GE Healthcare or its licensors; (v) electronically transfer the software outside Customer's intranet or network dedicated for the software, unless otherwise authorized in writing by GE Healthcare; or (vi) publicly release the results of any testing or benchmarking of the software without the prior written consent of GE Healthcare. Customer may transfer authorized copies of the software, and Documentation to a party that purchases or otherwise acquires the equipment and accepts any applicable license terms, except for software and Documentation that are (a) not a part of the base system standard operating software or Documentation for the equipment and (b) generally provided by GE Healthcare to its customers for a separate fee or charge. Advanced service software is subject to a separate fee and eligibility criteria and licensed under a separate agreement with GE Healthcare.

2.3. Backups. Customer may make a reasonable number of copies of the software in machine-readable form solely for backup, training, testing or archival purposes, so long as applicable license fees are paid. Customer shall reproduce on any such copy the copyright notice and any other proprietary legends that were on the original copy. GE Healthcare and its licensors, as applicable, retain all ownership and intellectual property rights to the software and Documentation. If Customer acquires any rights to the software or Documentation, Customer hereby assigns all of those rights to GE Healthcare or its licensors, as applicable. No license rights are granted (whether by implied license or otherwise), to Customer, except as specifically provided in this section.

2.4. Remedies. Customer agrees that a violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm to GE Healthcare for which the award of money damages alone are inadequate. In the event of any breach of this provision, GE Healthcare shall be entitled to seek injunctive relief in addition to immediately terminating the license granted herein and requiring that Customer cease use of the software and return all copies of stand-alone software in any media in addition to seeking any other legal or equitable remedies available to GE Healthcare. This paragraph shall survive the termination of this Agreement.

3. Payment and Finance.

3.1. Security Interest. Customer grants GE Healthcare a purchase money security interest in all items of hardware or equipment listed in the Quotation until full payment is received, and Customer shall perform all acts and execute all documents as may be necessary to perfect GE Healthcare's security interest.

3.2. Leases. If Customer is acquiring use of Products through an equipment lease ("Lease") with an equipment lessor ("Lessor"), certain provisions of this Agreement (including, but not limited to, terms related to payment, title transfer, warranties, and software licenses) may be modified as agreed to in writing between GE Healthcare, the applicable Lessor, and/or Customer, as the case may be. Acceptance of the Products as between GE Healthcare and Lessor will be defined by this Agreement; acceptance of the Products as between Lessor and Customer will be defined by the lease agreement. Notwithstanding the foregoing, if the Lessor does not comply with the terms of this Agreement, Customer shall continue to be responsible for the payment obligations hereunder.

3.3. Failure to Pay. If, after Product delivery, Customer does not make any payments for the Products within forty-five (45) days after such payments are due, GE Healthcare may, upon ten (10) days prior written notice to Customer, either (a) enter upon Customer's site and remove the Products or (b) temporarily disable the Products so that they are not operational.



Additional Terms and Conditions: Magnetic Resonance ("MR")

GE Healthcare

These GE Healthcare Additional Terms and Conditions: Magnetic Resonance ("MR") supplement and incorporate by reference the GE Healthcare (i) Quotation that identifies the Product offering purchased or licensed by Customer; (ii) Warranty(ies); (iii) Product Terms and Conditions; and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement").

- 1. Mobile Systems Only.** For Products that are approved by GE Healthcare for use as transportable, relocatable and mobile systems, GE Healthcare will deliver the system to Customer's van manufacturer and furnish final assembly services to place the system in Customer's van. At the time of order, Customer must notify GE Healthcare of the van manufacturer to which the system is to be shipped. It is Customer's responsibility to make arrangements with the van manufacturer for delivery of the van and to comply with any additional planning requirements of the van manufacturer. For MR systems, GE Healthcare's product tests will be performed when assembly in the van is completed and MR system operation will be re-checked when the van is delivered to Customer.
- 2. MR Systems.** Customer will provide a site and surroundings suitable for installation and operation of an MR system producing strong magnetic and electric fields, and Customer will be required to provide a water chiller meeting GE Healthcare specifications. Customer acknowledges that the magnetic fields of MR systems attract ferro-magnetic articles and are capable of rapidly accelerating such articles toward the magnet, creating corresponding physical danger to persons in the vicinity and possible damage to such systems. In addition, the magnetic and radio frequency fields of such systems may adversely affect the operation of pacemakers, equipment containing magnetic reed switches, and aneurysm or surgical clips.
- 3. Magnet Maintenance and Cryogenics.** The price of MR systems includes all cryogenics necessary for final assembly and testing of the MR system. Cryogen loss attributable to power loss or water chiller failure for the MR system's shield cooler or condenser system during installation is Customer's responsibility, and Customer will be billed for cryogen replacement plus the associated cryogen transfill labor at GE Healthcare's then applicable rates. After final assembly, Customer will be responsible to supply and install all cryogenics, unless cryogen loss is caused by a defect in material or workmanship within the scope of GE Healthcare's applicable MR system warranty. Following final assembly, provided cryogen boil-off rates have not been adversely affected by actions of Customer, its representatives or contractors, or any third party not authorized by GE Healthcare, GE Healthcare will provide a super-conductive magnet which, at the expiration of the warranty period, has cryogen boil-off rates not exceeding those stated in GE Healthcare's applicable magnet specifications. GE Healthcare has no responsibility to Customer for cryogen boil-off rates subsequent to expiration or termination of the applicable MR system warranty, unless Customer elects to receive magnet maintenance and cryogen service under a separate agreement with GE Healthcare.



Warranty Statement (United States)

GE Healthcare

This GE Healthcare Warranty Statement (United States) supplements and incorporates by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the (a) Warranties and (b) Additional Terms and Conditions; (iii) the GE Healthcare Product Terms and Conditions; and (iv) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

1. Warranted Products. These warranties cover the purchase and use of the following GE Healthcare products:

- Magnetic Resonance
- Computed Tomography
- Mammography
- Positron Emission Tomography (including scanners, cyclotrons & chemistry labs)
- Nuclear
- X-ray
- Surgical Navigation Systems
- Cardiology
- Ultrasound
- Bone Mineral Densitometry
- Physiological Monitoring
- Small Animal Imaging
- C-Arms
- Advantage Workstation and Server
- Anesthesia Delivery
- Respiratory Care
- Gold Seal
- Phototherapy and other infant care accessories
- Microenvironments, including Giraffe®, Panda®, Care Plus® and Ohio® Infant Warmer Systems
- Corometrics® Fetal Monitors

2. GE Healthcare Warranties.

- 2.1 **Scope.** GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare. The foregoing service remedy, together with any remedy provided herein, are Customer's sole and exclusive remedies (and GE Healthcare's sole and exclusive liability) for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY.
- 2.2 **Term Usage.** "Warranted Product" is a collective term which includes both the above-listed GE Healthcare manufactured equipment and licensed software, with the exception of Healthcare IT Products, purchased by and/or licensed to (as applicable) Customer under the relevant GE Healthcare Quotation.
- 2.3 **Equipment Warranty.** Except as indicated otherwise below, GE Healthcare warrants the equipment will be free from defects in title and that for one (1) year from the Warranty Commencement Date (as defined below) (i) the equipment will be free from defects in material and workmanship under normal use and service and (ii) except for equipment manufactured in compliance with Customer's designs or specifications, the equipment will perform substantially in accordance with GE Healthcare's written technical specifications for the equipment (as such specifications exist on the date the equipment is shipped) (the "Specifications"). This warranty covers both parts and labor and is available only to end-users that purchase the equipment from GE Healthcare or its authorized distributors. Customers purchasing through an authorized distributor must contact GE Healthcare promptly following such purchase to enable this warranty.
- 2.4 **Software Warranty.** Except as indicated otherwise below, GE Healthcare warrants for ninety (90) days from the Warranty Commencement Date that (i) the licensed software will perform substantially in accordance with the applicable Documentation (as defined herein), (ii) it has not inserted any Disabling Code (as defined herein) into the licensed software and (iii) it will use reasonable commercial efforts consistent with industry standards to scan for and remove any software viruses before installation of the applicable Warranted Product. Where an item of equipment has software code embedded in it, the code will only be considered licensed software under this warranty statement if the applicable GE Healthcare Quotation provides a separate part number for that software. Except as indicated otherwise below, GE Healthcare warrants that it has the right to license or sublicense the licensed software to Customer for the purposes and subject to the terms and conditions set forth in the Agreement. As used in this warranty statement, (i) "Disabling Code" means computer code that is designed to delete, interfere with, or disable the normal operation of the Warranted Product; provided, however, that code included in the licensed software that prevents use outside of the license scope purchased for the software will not be deemed to be Disabling Code and (ii) "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer.
- 2.5 **Used Products.** GE Healthcare's (i) Gold Seal Products (certain pre-owned GE Healthcare equipment), (ii) Ultrasound demonstration systems, and (iii) certified pre-owned Bone Mineral Densitometry Products are all provided with GE Healthcare's standard warranties carrying the same duration as the new equipment warranty, but in no event exceeding one (1) year (unless otherwise provided in writing

by GE Healthcare). Except as expressly provided in this paragraph or in the applicable GE Healthcare Quotation, all other pre-owned, refurbished, remanufactured or demonstration equipment is not warranted by GE Healthcare.

2.6 **Healthcare IT and GE Brand Specialty Components.** GE Healthcare IT Products and GE Brand Specialty Components (Detectors, Probes, X-Ray Tubes and Image Intensifier Tubes) are covered by a separate warranty statement provided in an applicable GE Healthcare Quotation.

2.7 **Third-Party Software and Equipment.** This warranty statement does not cover Third-Party Software and Equipment (as defined herein) delivered with the Warranted Products (commonly identified by NL or NW series numbers in GE Healthcare's Quotation). "Third-Party Software and Equipment" means any non-GE Healthcare software or equipment (i) delivered to Customer in the third-party manufacturer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the GE Healthcare Quotation or in the product documentation) that the software or equipment is provided with the third-party manufacturer/supplier's warranty in lieu of a GE Healthcare warranty. Such products are covered by the third-party manufacturer/supplier's warranties, to the extent available. Anesthesia monitor mounting solutions Third-Party Software and Equipment purchased directly from GE Healthcare will not be treated as Third-Party Software or Equipment.

3. **Warranty Commencement.** Unless expressly provided otherwise in this warranty statement or the applicable GE Healthcare Quotation, the warranty period begins (the "Warranty Commencement Date") on the earlier of: (i) if GE Healthcare installs the Warranted Product, five (5) days after GE Healthcare notifies Customer that it has completed assembly and the Warranted Product is operating substantially in accordance with GE Healthcare's Specifications; (ii) if GE Healthcare does not install the Warranted Product, five (5) days after delivery of the Warranted Product to Customer; (iii) the date Customer first uses the Warranted Product for patient use; or (iv) if GE Healthcare is contractually required to install the Warranted Product, the thirtieth (30th) day following shipment to the end-user Customer if installation is delayed for reasons beyond GE Healthcare's reasonable control. The warranty period for any Warranted Product or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced Warranted Product.

4. **Remedies.** If Customer promptly notifies GE Healthcare of Customer's warranty claim during the warranty period and makes the Warranted Product available for service, GE Healthcare will, at its option (i) with respect to equipment, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Warranted Product or components of the Warranted Product and (ii) with respect to GE Healthcare's licensed software, either correct the non-conformity or replace the applicable licensed software. GE Healthcare may, at its sole discretion and subject to (i) availability; (ii) any applicable regulatory approvals; and (iii) Section 5 of the GE Healthcare General Terms and Conditions, provide Customer with a comparable loaner system during periods of extended service to the Warranted Product. Warranty service will be performed without charge from 8:00am to 5:00pm (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel. For certain Warranted Products, GE Healthcare will perform warranty service only at an authorized service center or, in some instances, via a secure, remote connection to a GE Healthcare online center. With respect to GE Healthcare's warranty for the services it provides to Customer, Customer's exclusive remedy is set forth in Section 2.1 above.

Warranty claims for the Warranted Products should be directed through GE CARES at 1-800-437-1171. Warranty claims for accessories and supplies items should be directed through 1-800-558-5102.

5. **Limitations.** GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (a) the use of the Warranted Product in combination with any software, tools, hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (b) the use of the Warranted Product in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's recommendations or instructions on use; or (c) any alteration, modification or enhancement of the Warranted Product by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Warranted Product to the extent it is used in any country other than the country to which GE Healthcare ships the Warranted Product (unless GE Healthcare expressly agrees otherwise in writing). GE Healthcare does not guarantee that licensed software will operate without error or interruption.

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Specifications and/or Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Warranted Products in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Warranted Products or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Warranted Products or parts; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iv) expendable supply items; (v) stockpiling of replacement parts; (vi) any failure of the Warranted Products to use or correctly process dates (other than systemic miscalculations not due to date value format); and (vii) products not listed in GE Healthcare's Accessories and/or Supplies catalogs at the time of sale, and all service manuals are provided AS IS. For network and antenna installations not provided by GE Healthcare or its authorized agent(s), network and antenna system troubleshooting will be billable at GE Healthcare's standard service rates.

For MR systems, these warranties do not cover (i) any defect or deficiency that results, in whole or in part, from failure of any water chiller system supplied by Customer, (ii) service to any water chiller systems supplied by Customer and (iii) for MR systems with LHe/LN or shield cooler configured superconducting magnets (except for MR Systems with LCC magnets), any cryogen supply, cryogenic service or service to the magnet, cryostat, coldhead, shield cooler compressor or superconductive or resistive shim coils unless the need for such supply or service is caused by a defect in material or workmanship covered by these warranties (GE Healthcare's MR Magnet Maintenance and Cryogen Service Agreement is available to provide supplemental coverage during the warranty period).

For Proteus XR/a, Definium and Precision 500D x-ray systems, these warranties do not cover collimator bulbs.

6. Exceptions to GE Healthcare Standard Warranties Described Above.

Partial System Equipment Upgrades for CT, MR, X-Ray, PET (Scanners, Cyclotrons and Chemistry Labs) and Nuclear systems: Six (6) months (warranty applies only to the upgraded components)

Cyclotron and Radiopharmacy: Unless expressly provided otherwise in the applicable GE Healthcare Quotation, the Warranty Commencement Date for Cyclotron and/or Radiopharmacy Products begins on the earlier of (i) three (3) months after the date on which GE Healthcare has completed the mechanical installation, or (ii) the date on which final testing of the Product has been successfully completed. GE Healthcare's sole liability and Customer's exclusive remedy for a breach of warranty is limited to repair, replacement or refund at GE Healthcare's sole option. Any such repairs or replacement will not extend the warranty period.

X-Ray High Voltage Rectifiers and TV Camera Pick-Up Tubes: Six (6) months

X-Ray Portable (Wireless & Tethered) Digital Detectors: Warranty does not cover damage caused by any use that does not conform to OEM guidelines, fire, power failures or surges, or abuse which is defined as use that causes fluid invasion, holes, deep scratches, or the detector case to crack.

FlashPad Wireless Detector: In addition to the standard warranty, GE Healthcare will also provide coverage for detector damage due to accidental dropping or mishandling (e.g., spills). In the event such accidental damage occurs, GE Healthcare shall provide Customer with one (1) replacement detector during the warranty period at no additional charge. If subsequent accidental damage occurs during the warranty period, each additional replacement shall be provided to Customer at a charge of \$30,000 per replacement detector. Warranty coverage for the detector and its components also excludes failures due to detrimental exposure, abuse, theft, loss and/or fire. If the warranty is voided by these conditions, repair or replacement of the detector and/or the components is the Customer's responsibility.

GE OEC New or Exchange Service/Maintenance Parts: Ninety (90) days

GE OEC Refurbished C-Arms: Twelve (12) months after installation

HealthNet Lan, Advantage Review — Remote Products: Ninety (90) days

Vivid T8: Three (3) years parts and labor, includes TEE probes purchased with the Vivid T8

Vivid i, Vivid e, Vivid g, Voluson i, Voluson e and LOGIQBook XP: Standard warranty includes (i) repair services at GE Healthcare service facilities, (ii) three (3) business day turnaround repair time for systems shipped via overnight delivery (where available), measured from the date of shipment (GE Healthcare is not responsible for delays in overnight shipment), (iii) seventy-two (72) hour loaner systems or probe replacement service via Fed Ex (shipping charges included), and (iv) technical support via telephone from 7:00 am to 7:00 pm Central Time, Monday-Friday, excluding GE Healthcare holidays. For an additional charge, GE Healthcare may provide (a) field support/service, (b) preventative maintenance, and/or (c) coverage for system damage due to accidental dropping or mishandling with a maximum of two (2) replacement systems during the term of the warranty.

Vscan, LOGIQ e BT12 and later versions, and Venue 40 and 50 version BT12 and later versions: Supplemental warranty terms and conditions specific to Vscan systems, LOGIQ e BT12 and later version systems, and Venue 40 and 50 version BT12 and later version systems shall be as set forth in the Additional Terms and Conditions and Warranties for Ultrasound & Vscan Products attached to the Quotation.

Ultrasound Partial System Equipment Upgrades: Ninety (90) days (Warranty applies only to the upgraded components. Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).

Bone Mineral Densitometry Partial System Equipment Upgrades: Thirty (30) days (Warranty applies only to the upgraded computer, printer and monitor components. Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).

CARESCAPE Monitors B450, B650 and B850, and Dash: Three (3) years parts and one (1) year labor coverage, excluding displays

B40 Monitors: Two (2) years of parts only coverage, excluding displays, and one (1) year labor with (i) repair services performed at GE Healthcare service facilities; or (ii) onsite repair if deemed necessary by GE Healthcare, during such labor warranty period.

MAC 800, 1200, 1600 and 2000: Three (3) years of parts and labor

CARESCAPE V100 Vital Signs Monitors: Two (2) years parts and labor

Exergen: Four (4) years parts and labor

Batteries: Ninety (90) days, except (i) for LOGIQBook and Vscan batteries, which are warranted for twelve (12) months and (ii) for Nickel cadmium or lead acid batteries for X-ray and mammography systems (which will carry a sixty (60)-month warranty prorated as shown below). For Nickel cadmium or lead acid batteries for X-ray and mammography systems, warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel only during the first twelve (12) months of the sixty (60)-month warranty period. For X-ray and mammography systems, if nickel cadmium or lead acid batteries need replacement during their applicable warranty period, Customer will pay the price of the replacement battery in effect on its delivery date less a Pro Rata Credit Allowance (as defined herein). The Pro Rata Credit Allowance for batteries that fail less than twelve (12) months after the warranty begins is one hundred percent (100%). The Pro Rata Credit Allowance for batteries that fail more than twelve (12) months after the warranty begins is:

$$1 - \left(\frac{\text{\# of Mos. After Warranty Commencement}}{60} \right) \times 100\%$$

For the purpose of Pro Rata Credit Allowance, a fraction of a month less than fifteen (15) days will be disregarded, and a fraction of a month equal to or greater than fifteen (15) days will be regarded as a full month.

Giraffe® Shuttle Batteries: Ninety (90) days

Care Plus® Incubator: Three (3) years parts, one (1) year labor

Ohio® Infant Warmer Systems, Panda® iRes Warmers, Giraffe® Warmer and Giraffe® OmniBed: Seven (7) year parts warranty on heater cal rod

BiliBlanket® Plus High Output Phototherapy System: Two (2) years on Light Box and eighteen (18) months on Fiberoptic Pad

Microenvironment and Phototherapy expendable components, this includes but is not limited to patient probes, probe covers and light bulbs: Thirty (30) days

Corometrics® Fetal Monitoring Systems: Warranty includes: (i) Warranty Commencement at the earlier of (a) if GE Healthcare or Customer installs the Warranted Product, five (5) days after completion of installation of the Warranted Product or (b) forty (40) days after shipment of the Warranted Product; (ii) two (2) years parts, one (1) year labor; and (iii) repair services at GE Healthcare service facilities during labor warranty period or onsite repair if deemed necessary by GE Healthcare.

Corometrics® Nautilus Transducers: Two (2) years of parts and labor

Oximeters: Three (3) years from installation, or thirty-nine (39) months from GE Healthcare invoice, whichever occurs sooner

Tec 7 Vaporizers: Three (3) years of parts and labor

Tec 6 Plus Vaporizers: Two (2) years of parts and labor

Accessories and Supplies: GE Healthcare's catalog and/or website includes a "Service/Warranty Code" which identifies the installation, warranty, applications and post-warranty service, if any, provided for each accessory and supply product. Following are the warranty periods for accessories and supplies:

Service/Warranty Code T.....	100 Years
Service/Warranty Code V.....	25 Years
Service/Warranty Codes X.....	15 Years
Service/Warranty Code ZZ.....	5 Years
Service/Warranty Codes F.....	3 Years
Service/Warranty Codes D, J, N, O, R or Z.....	2 Years
Service/Warranty Codes A, B, C, E, G, L, P, Q, S or Y.....	1 Year
Service/Warranty Code H.....	6 Months
Service/Warranty Code K.....	3 Months
Service/Warranty Code M.....	1 Month
Service/Warranty Code W.....	Out of Box Failure Only



Warranty Codes For Accessories And Supplies

GE Healthcare

These GE Healthcare Warranty Codes For Accessories and Supplies supplements and incorporates by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the (a) Warranties and (b) Additional Terms and Conditions; (iii) the GE Healthcare Product Terms and Conditions; and (iv) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

Service / Warranty Codes. If Customer promptly notifies GE Healthcare of its warranty claim and makes the Product available for service, GE Healthcare will provide the warranty service indicated in the applicable Service/Warranty Code description. The terms and conditions of GE Healthcare's Warranty Statement(s) apply to all warranty claims. Basic Service Premise for Products – GE Healthcare Field Engineers will take the first call for service and either provide direct support or arrange for support from the manufacturer or its dealers as indicated by the individual Service/Warranty Code. If the Service/Warranty Code calls for Product return for repair or in-warranty exchange, Customer must return the Product as GE Healthcare directs. GE Healthcare provides warranty service from 8:00 AM to 5:00 PM local time Monday-Friday EXCLUDING GE HEALTHCARE HOLIDAYS. If a Service/Warranty Code provides for warranty service to be performed on Customer's site, such service is available outside the above hours at GE Healthcare's prevailing service rates and subject to the availability of personnel.

A GE Healthcare directly, or through a sub-contractor, provides the following:

Installation; parts; on-site warranty service to repair, adjust or replace (at GE Healthcare's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (with additional charge); and post-warranty service, at prevailing hourly billed service ("HBS") rates and, in some cases, under GE Healthcare service contracts.

B GE Healthcare directly provides the following through GE Healthcare's Global Parts Operation (GPO):

New or exchange replacement parts at no charge to correct non-conforming products or parts during the warranty period; new or exchange replacement parts at GE Healthcare's normal prices for post-warranty repairs. **Note:** Installation, applications training and on-site service is the Customer's responsibility. However, GE Healthcare's Field Engineers may be available at prevailing HBS rates. Contact GE CARES for availability.

C GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide the following:

Installation (in some cases with an additional charge); parts; on-site warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (some with additional charge); and post-warranty service at prevailing service rates.

D GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and repair or replacement (at the manufacturer's or dealer's option) of defective products or parts. **Note:** The battery for Service/Warranty Code D has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

E GE Healthcare directly, or through a sub-contractor, provides:

Installation (in some cases with an additional charge); basic functional troubleshooting (no technical labor) with supplier phone support; and coordination of unit exchange or loaner program for in-factory service.

GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide in-factory service:

At no charge during the warranty period and at manufacturers or dealer's prevailing service rates outside of the warranty period. Products must be returned to the manufacturer or dealer, at GE Healthcare's expense during warranty and Customer's expense after warranty, for repair.

F GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming products or parts, which Customer returns to the manufacturer or dealer during the warranty period. **Note:** For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

G, J, O and Q GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Start up and commissioning; basic functional troubleshooting (no technical labor) with supplier phone support 24/7; and warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option) non-conforming products or parts (excluding installation, time and material). **Note:** The UPS battery for Service/Warranty Code G has a 9-year pro-rated warranty to cover non-conforming material. Start up and commissioning for Service/Warranty Code O applies only to 10 KVA and above. The UPS battery for Service/Warranty Codes O and Q has a 1-year warranty to replace the product. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate. Warranty service for Service/Warranty Codes G and O is provided On-site. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

H, K, L and M GE Healthcare directly provides the following:

Exchange of non-conforming products, which Customer returns to GE Healthcare during the warranty period. **Note:** Installation, parts, applications training, and on-site service is the Customer's responsibility.

N, R and S GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Installation; Preventative Maintenance; and parts and labor. **Note:** Post-warranty service, at manufacturer's prevailing HBS rates, and in some cases, under GE Healthcare service contracts. The battery for Service/Warranty Code R has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

P GE Healthcare directly provides the following:

Replacement of non-conforming components. **Note:** Installation, parts, applications training, and on-site service is the Customer's responsibility.

T, V and X GE Healthcare directly provides the following:

Replacement of Product only; GE Healthcare will not replace patient records; and product is warranted only for image legibility. **Note:** Installation, parts, applications training, and on-site service is the Customer's responsibility.

W GE Healthcare directly provides the following:

Replacement of Product only for Out of Box failure. **Note:** Installation, parts, applications training, and on-site service is the Customer's responsibility.

Y and Z GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming components. **Note:** All electrical components (excluding the UPS) for Service/Warranty Code Z have a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

ZZ GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming components. **Note:** The battery for Service/Warranty Code ZZ has a 2-year warranty for stationary applications and a 6-month warranty for mobile application. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.



Warranty Statement: Uptime Commitment

GE Healthcare

This GE Healthcare Warranty Statement: Uptime Commitment supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Product offering purchased or licensed by Customer; (ii) Warranty; (iii) Additional Terms and Conditions; (iv) Product Terms and Conditions; and (v) General Terms and Conditions, (collectively, referred to as the "Agreement". The following provisions will apply only to eligible diagnostic imaging systems as identified in the Quotation ("Eligible Systems") and only during the warranty period:

- 1. Scope.** GE Healthcare will provide Customer with expanded warranty protection for Eligible Systems in consideration of Customer's commitment to provide a broadband network connection to enable GE Healthcare to better provide warranty service for the Eligible Systems during the warranty period.
- 2. Eligibility.** To be eligible for this expanded warranty protection, Customer must: (i) establish (if not previously established) and maintain a broadband network connection at Customer's site that connects to the Eligible System, which broadband connection meets GE Healthcare's minimum specifications, (ii) provide GE Healthcare with access to the Eligible System through Customer's broadband network connection and maintain security for Customer's broadband network connection in accordance with appropriate industry best practices, (iii) provide necessary support to maintain such broadband network connection, including designation of a primary Customer contact person, (iv) provide GE Healthcare with at least two (2) business days advance notice of any planned changes to Customer's network that may impact such broadband connection and with notice of any unplanned changes (e.g., power outages, computer viruses, system crashes) to Customer's network that may impact such broadband connection within two (2) business days after the occurrence of the unplanned changes, (v) reasonably cooperate with GE Healthcare in maintaining such broadband connection during all such planned and unplanned changes, and (vi) use reasonable efforts to ensure that Customer's connection to the Internet and LAN systems operate at a maximum of 75% of capacity and have an uptime rate of at least 98%.
- 3. Uptime Commitment.** If Customer performs these responsibilities, GE Healthcare will provide Customer, at no additional charge and in addition to other remedies available under GE Healthcare's warranty, an uptime commitment of 97% (95% for all covered nuclear imaging systems and all covered X-ray systems except digital mammography, digital radiographic and vascular X-ray systems), and uptime remedies, as described below.
- 4. Definitions.** "Uptime Commitment" means GE Healthcare's commitment on Eligible System uptime during the warranty period, as defined below. "Uptime Remedy" is, in addition to the other remedies specified in the warranty, Customer's sole and exclusive remedy if GE Healthcare fails to meet any Uptime Commitment over a 26-week measurement period during the warranty period. Should the Eligible System fail to achieve the Uptime Commitment as calculated by the Uptime Commitment Calculation, GE Healthcare will provide an extension of Customer's service agreement with GE Healthcare for the Eligible System (or, if Customer has not entered into a service agreement with GE Healthcare, the warranty period for the Eligible System) at no additional charge, as follows:

<u>% < Uptime Commitment</u>	<u>Extension</u>
0	0 weeks
0.1 - 3.0	1 week
3.1 - 8.0	2 weeks
8.1 - 13.0	4 weeks
> 13.0	6 weeks

"Uptime Commitment Calculation" means the calculation used to determine achievement of the Uptime Commitment, as follows: The basis for each measurement period is GE Healthcare's standard warranty service coverage hours of A hours per day, B days per week for 26 weeks, less C hours spent on planned maintenance ("PM") during that interval:

Hours1 = A hours per day X B days per week X 26 weeks

Hours2 = Hours1 - C hours for planned maintenance

Required in-service hours at Customer's % commitment: Hours3 = Hours2 X Customer's %

- 5. Eligible System.** An Eligible System will be considered inoperable and out of service under the Uptime Commitment if, due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System is unavailable for scanning patients and diagnosing images on the Eligible System display console or operator's console. Peripheral equipment such as remote consoles, magnetic tape drives, hard copy devices, and multi-format and laser cameras are excluded from the terms of the Uptime Commitment. Repair and adjustments required for anything other than Eligible System failure, and damage or inoperability due to any cause other than GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, will be excluded from the Uptime Commitment Calculation, including without limitation damage through misuse, operator error, inadequate environmental or air conditioning protection, power failure, and acts of God. PM time will not be included in the calculation of downtime. If GE Healthcare's responding representative agrees the Eligible System is inoperable due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System will be considered out of service from the time the request for service was received by GE Healthcare until the Eligible System is again turned over to Customer for operation. If Customer fails to give GE Healthcare immediate and unencumbered access to the Eligible System or continues to obtain scans after notifying GE Healthcare of any Eligible System failure, the Eligible System will be considered to be in service.

SECTION B – PROJECT COST – ITEM # II.E.1.a.1(iii)
(Optima MRI Shielding Costs)



October 3, 2015

Dr. Roy Terry
1616 West Main Street
Lebanon, TN 37087

RE: MRI Build-out at the Hartmann Drive MOB (Phoenix Building)

Dear Dr. Terry,

The preliminary budget for the build-out of the Imaging Suite located at the new Phoenix Medical building is estimated to be \$150,000. This preliminary budget includes the interior walls, sheet rock, flooring, painting, electrical, mechanical, fire protection and the required shielding. The imaging equipment is to be supplied and installed by others under separate contract.

Should you have any questions or if you need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "D.K. Pine".

David K. Pine, P.E.

SECTION B – PROJECT DESCRIPTION – ITEM # II.E.1.a.2
(Optima MRI Useful Life)



GE Healthcare

Timothy A. Nustad

CTO & GM Science & Technology
Global MR Business

3200 N. Grandview Blvd, W825
Waukesha, WI 53188
USA

T 262-521-6590
C 414-750-9275
Timothy.nustad@ge.com

August 25th, 2015

Tosha Smart, MHA
Tennessee Orthopedics
1616 West Main Street, Lebanon, TN 37087

Dear Tosha,

Regarding your questions on useful life for the GE MR 450W system, we are happy to provide some information that may be helpful.

GE's current practice is to provide service and parts support for a minimum of 10 years after installation of new GE MRI systems. Customers are advised if service and part availability changes after that time period and we work to provide solutions beyond that time frame whenever possible.

The useful life of the equipment has extended well beyond this time period for many customers and they have continued to operate equipment for longer periods of time. GE has observed MRI equipment demonstrate a useful life of 15 years and longer in our installed base.

The above statements regarding useful life and service availability are not intended to be legally binding and shall not be construed as any form of guaranty or warranty. Instead, they are provided strictly for informational purposes at the request of Tennessee Orthopedics.

If more detailed information is needed, please do not hesitate to contact me.

Best Regards,

A handwritten signature in black ink, appearing to read 'Timothy A. Nustad'.

Timothy A. Nustad
CTO & GM Science & Technology
Global MR Business

SECTION B – PROJECT DESCRIPTION – ITEM # II.E.1.a.4
(Documentation of FDA Approval)



JUL 17 2009

K091536

GE Healthcare

3200 N. Grandview Blvd.
Waukesha, WI 53188
USA

Section 5 - 510(k) Summary

This 510(k) summary of safety and effectiveness information is submitted in accordance with the requirements of 21 CFR Part 807.92(c).

Submitter: GE Healthcare
3200 N. Grandview Blvd.
Waukesha, WI 53188

Contact Person: Mark Stauffer
Regulatory Affairs Leader

Telephone: 262 - 521 - 6891
Fax: 262 - 521 - 6439
Email: mark.x.stauffer@ge.com

Date Prepared: 15 May 2009

Device Name:

Proprietary Name: Optima MR450w

Classification Name: Magnetic Resonance Diagnostic System, 21 CFR 892.1000, 90-LNH

Predicate Device:

GE Discovery® MR450 System (K083147)

Device Description:

The 1.5T GE Optima MR450w features a superconducting magnet operating at 1.5 Tesla. The data acquisition system accommodates up to 32 independent receive channels in various increments, and multiple independent coil elements per channel during a single acquisition series. The system uses a combination of time-varying magnetic fields (gradients) and RF transmissions to obtain information regarding the density and position of elements exhibiting magnetic resonance. The system can image in the sagittal, coronal, axial, oblique and double oblique planes, using various pulse sequences and reconstruction algorithms. The 1.5T GE Optima MR450w is designed to conform to NEMA DICOM standards (Digital Imaging and Communications in Medicine).

Indications for Use:

The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

Comparison with Predicate Devices:

The indications for use for the Optima MR450w System are similar to those for the GE Discovery® MR450 System.

Comparison statement between Optima MR450w and Discovery MR450 System :

The GE Optima MR450w is a new device design that is similar to the previously cleared 1.5T HDx MR system (K052293) with the main difference being the static magnet physical dimensions, which reflect the design objective of creating a larger diameter patient enclosure (bore). Both systems utilize superconducting magnets, gradients, and radio frequency coils and electronics to acquire data in single voxel, two-dimensional, or three-dimensional datasets. The operating software is common to both systems, as are the user applications provided with the system or offered as options.

Summary of Studies:

As stated in the FDA document "Guidance for the Submission of Premarket Notifications for Magnetic Resonance Diagnostic Devices" the following parameters have been measured

and documented through testing to NEMA, IEC or ISO standards (as referenced throughout this submission and listed in Section 9:

Performance:

- Signal-to-noise ratio (SNR)
- Geometric distortion
- Image uniformity
- Slice thickness
- Spatial resolution

Safety

- Static field strength
- Acoustic noise
- dB/dt
- RF heating (SAR)
- Biocompatibility

The Optima MR450w has been designed to comply with applicable IEC standards. It shall be certified by a Nationally Recognized Testing Laboratory to conform to IEC, UL and CSA standards prior to commercialization of the system.

Conclusion:

It is the opinion of GE that the GE Optima MR450w 1.5T system is substantially equivalent to the Discovery MR450 1.5T system.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration
9200 Corporate Boulevard
Rockville MD 20850

GE Medical Systems LLC
% Mr. Daniel W. Lehtonen
Senior Staff Engineer-Medical Devices
Intertek Testing Services NA, Inc.
2307 E. Aurora Rd., Unit B7
TWINSBURG OH 44087

JUL 17 2009

Re: K091536

Trade/Device Name: Optima MR 450w
Regulation Number: 21 CFR 892.1000
Regulation Name: Magnetic resonance diagnostic device
Regulatory Class: II
Product Code: LNH
Dated: July 2, 2009
Received: July 6, 2009

Dear Mr. Lehtonen:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into either class II (Special Controls) or class III (PMA), it may be subject to additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the Federal Register.

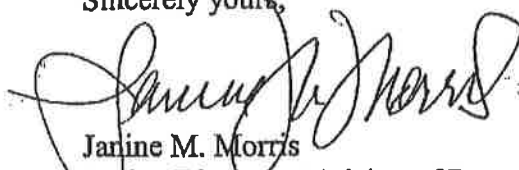
Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); medical device reporting (reporting of medical

device-related adverse events) (21 CFR 803); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please go to <http://www.fda.gov/AboutFDA/CentersOffices/CDRH/CDRHOffices/ucm115809.htm> for the Center for Devices and Radiological Health's (CDRH's) Office of Compliance. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to <http://www.fda.gov/cdrh/mdr/> for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (240) 276-3150 or at its Internet address <http://www.fda.gov/cdrh/industry/support/index.html>.

Sincerely yours,



Janine M. Morris
Acting Director, Division of Reproductive,
Abdominal, and Radiological Devices
Office of Device Evaluation
Center for Devices and Radiological Health

Enclosure

Indications for Use

510(k) Number (if known):

K091536

Device Name:

Optima MR450w

Indications for Use:

The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

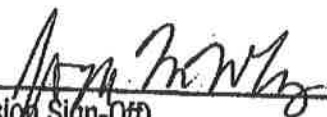
Prescription Use X
(21 CFR 801 Subpart D)

AND/OR

Over-the-Counter Use _____
(21 CFR 807 Subpart C)

(PLEASE DO NOT WRITE BELOW THIS LINE - CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of Device Evaluation (ODE)


(Division Sign-Off)
Division of Reproductive, Abdominal and
Radiological Devices
510(k) Number K091536

Section B – Project Description – Item # III.A
(Plot Plan)

1. ALL PARKING SPACES ARE 9' WIDE BY 20' LONG.
2. DRAINAGE EASEMENTS OUTSIDE DEDICATED RIGHT OF WAY ARE NOT THE RESPONSIBILITY OF WALSON COUNTY OR THE CITY OF LEBANON.
3. NO CUT, FILL OR CONSTRUCTION WITHIN 25' OF TOP OF NATURAL DRAINAGE CHANNEL OR SINK HOLE / DEPRESSION.
4. SEE SHEET C1, SITE SURVEY FOR F.E.M.A. NOTE.
5. NO ALTERATION OF THIS STRIP SHOWN WILL OCCUR.

PROPOSED TOTAL ACRES DEDUCTION: 15 ACRES

• PAVING REQUIREMENTS
PROPOSED DRIVE PER 220 S.F. OF FLOOR SPACE (NON CENTRALIZED OFFICE)
150 S.F. / 750 SQ. YD. MIN.
100 S.F. / 500 SQ. YD. MIN.
50 S.F. / 250 SQ. YD. MIN.

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By tracing map location and graphic plotting only, the property lies within Flood Zones "X" as designated by current and Federal Emergency Management Agency maps which make up a part of the National Flood Insurance Administration Report; Community No. 47183C, Panel 1, dated February 20, 2008, which is the current Flood Insurance Rate Map for the community in which said premises is situated. (Flood Zone "X" is not a Special Flood Hazard area)

(in race)
length = 30 ft.

DEED REFERENCE: INDEXED BOOK 1133, PAGE 681. REGISTER'S OFFICE FOR WILSON COUNTY, TENNESSEE
TAX MAP REFERENCE: WILSON COUNTY TAX MAP #1. PARCELS 120.01 120.02, T.A.Q.W.C., TENNESSEE
PROPERTY ADDRESS: SHREVESTON, WAYNE, TENNESSEE
OWNER: JAMES EARL WILSON
1800 NORTH MAIN STREET
LEBANON, TENNESSEE 37037
TELEPHONE: (615) 406-4710

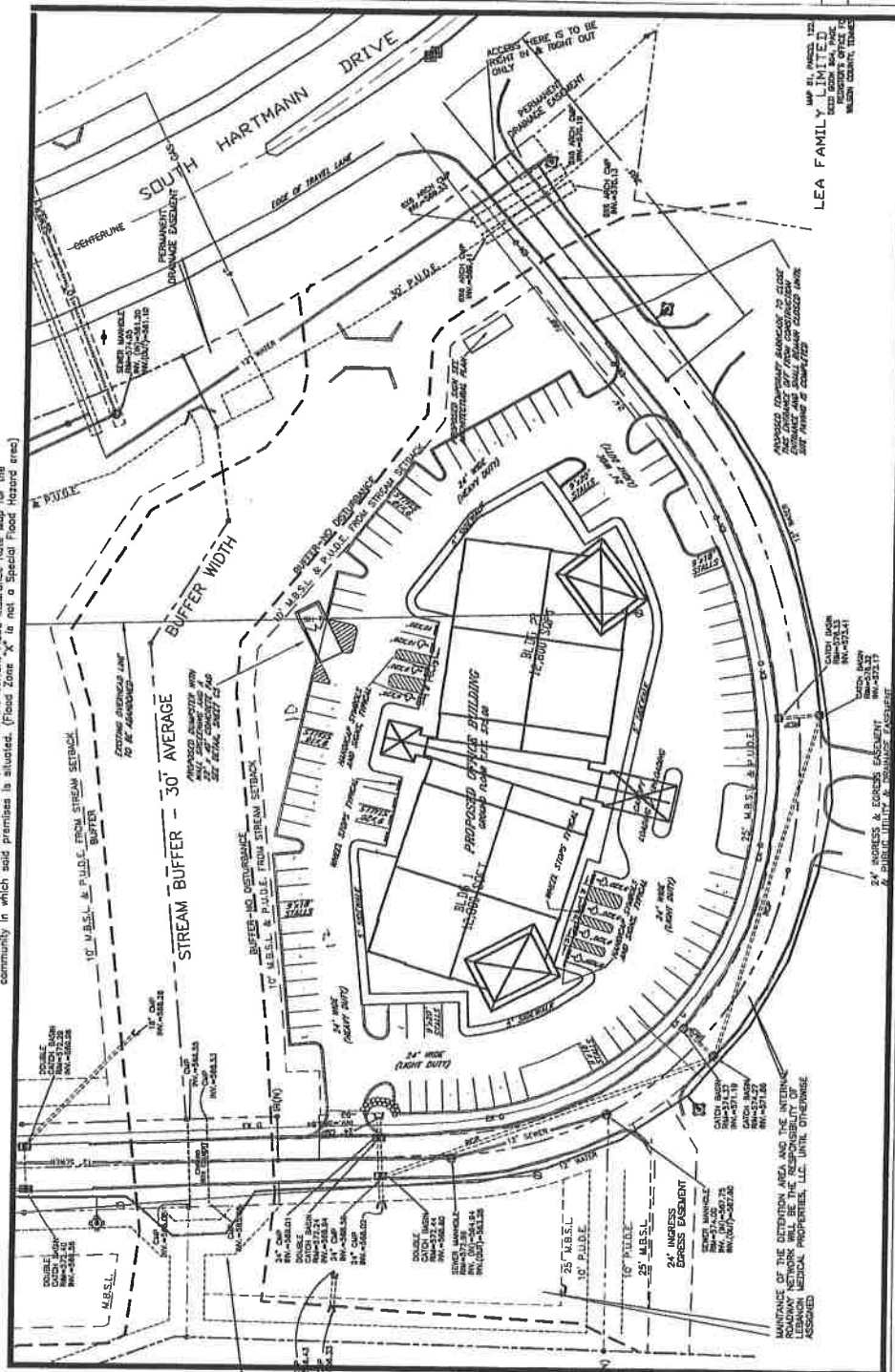
CONTRACTOR
EMERSON CONSTRUCTIVES
INC. DATED 1987
TELEPHONE: (615) 435-4267

CONSULTING ENGINEERS
P.O. BOX 2818
LEBANON, TENNESSEE 37088
[ddew@bellsouth.net]

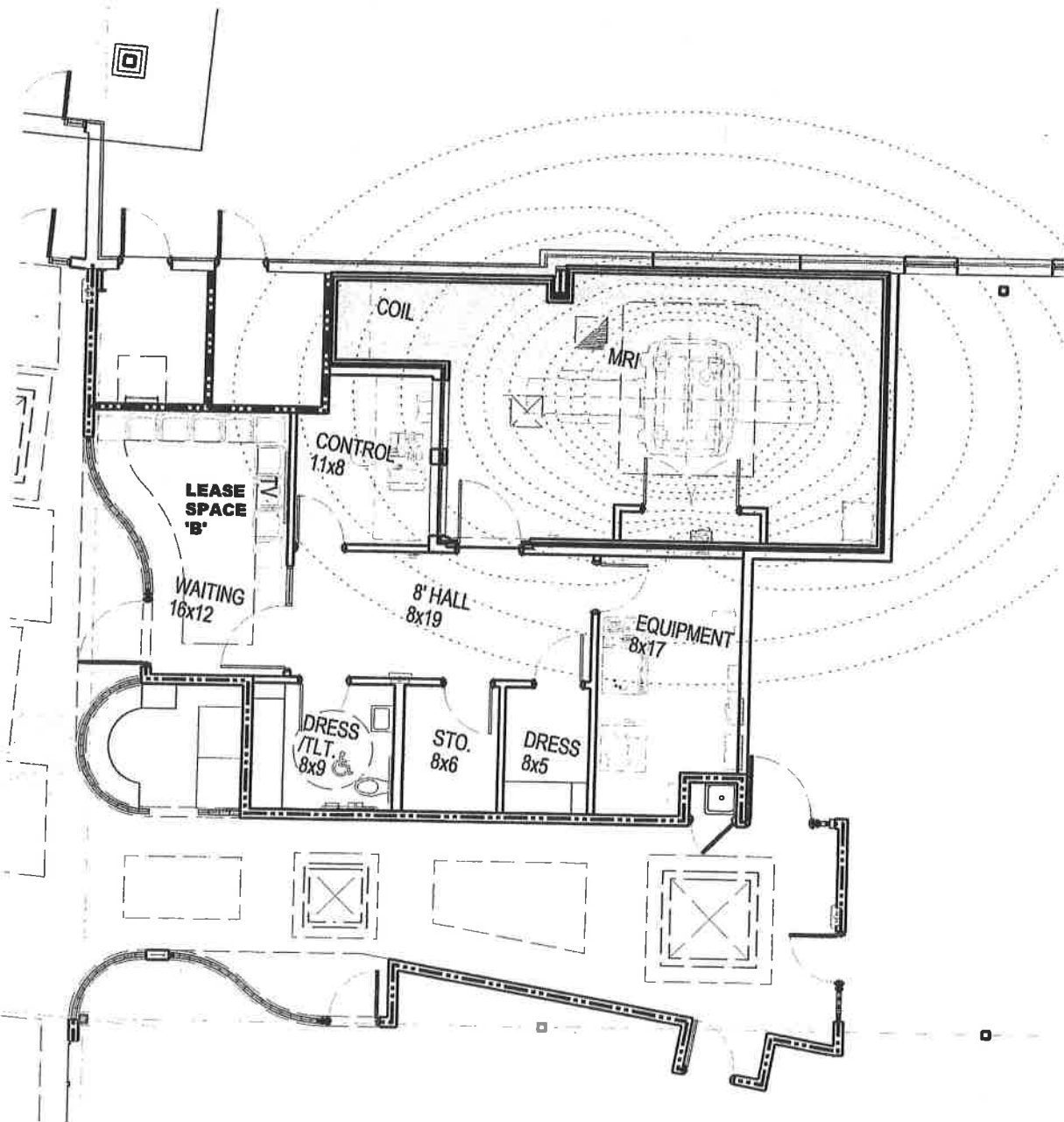
SITE LAYOUT PLAN
HARTMANN MEDICAL OFFICE BUILDING
LEBRAND WILSON COUNTY TENNESSEE

MOD / 14~12

22



Section B – Project Description – Item # IV
(MRI Facility Floor Plan)



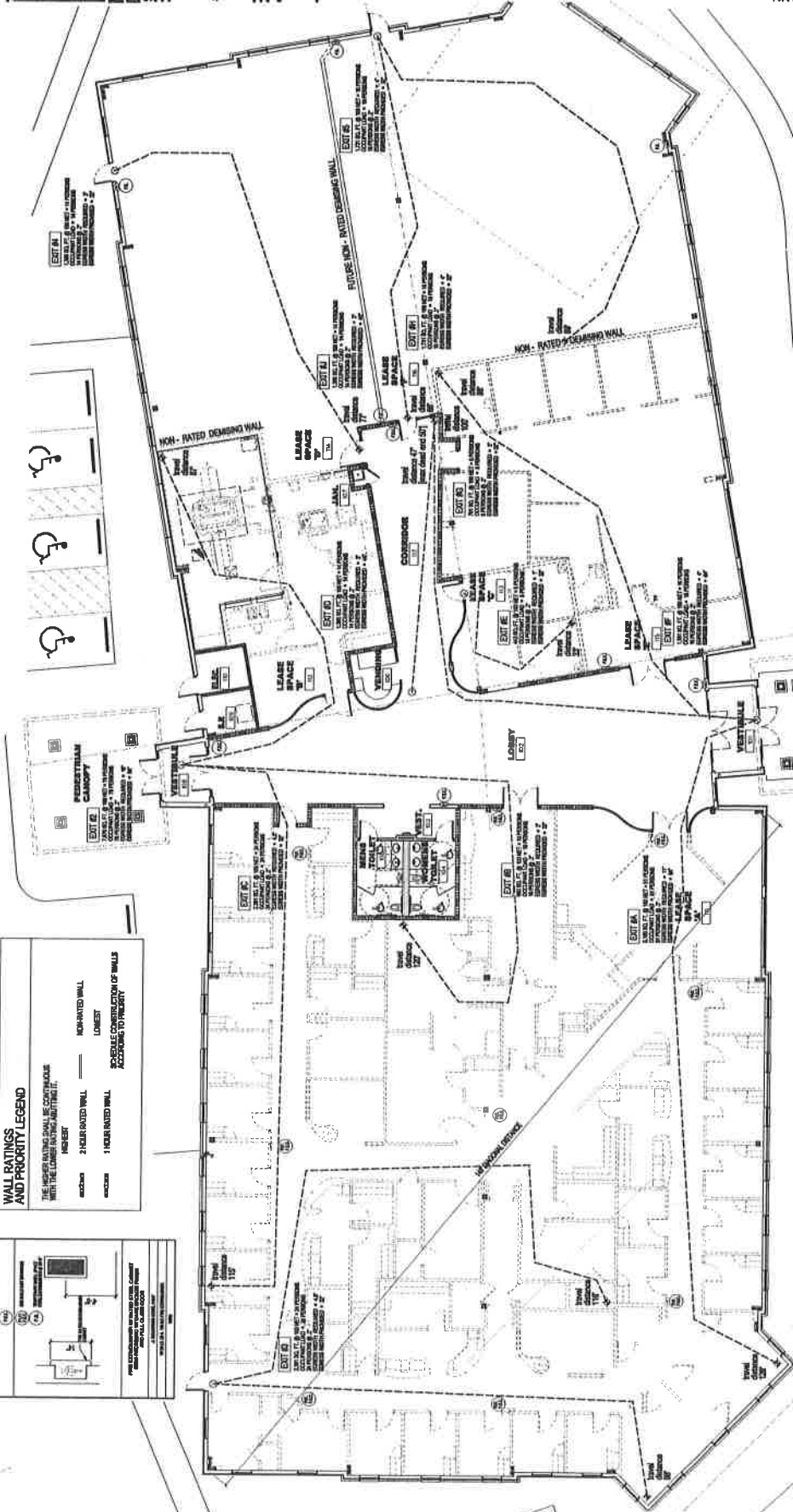
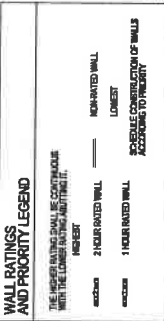
TENNESSEE ORTHOPEDICS IMAGING - LEASE 'B' - SUITE 112

SCALE: 1" = 10'-0"

1,385 SQ.FT.



 <p>MANOUS DESIGN 110 Lakewood Rd. Lebanon, Tn. 37087 v:615.444.6207 f:615.444.0853</p>		<p>ISSUED: 28 August, 2015</p> <p>REVISED:</p> <p>TENANT PLANS</p>	<p>sketch no.</p> <p>1 of 2</p>
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TENNESSEE
ORTHOPEDICS

DR. ROY C. TERRY
MEDICAL OFFICE BUILDING
MAGING SUITE 112 BUILD OUT
SOUTH HARTMANN DRIVE & PHYSICIAN'S WAY
LEBANON, TENNESSEE

SEARCHED: ☐ J.L. HARRIS
 INDEXED: ☐ J.L. HARRIS
 SERIALIZED: ☐ J.L. HARRIS
 FILED: ☐ J.L. HARRIS
 AUG 4 1964
 FBI - MEMPHIS

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A BUILDING INFORMATION

TENNIS OVERVIEW	
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LEAGUE 11-12	13-14
LEAGUE 13-14	15-16
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LIFE SAFETY PLAN

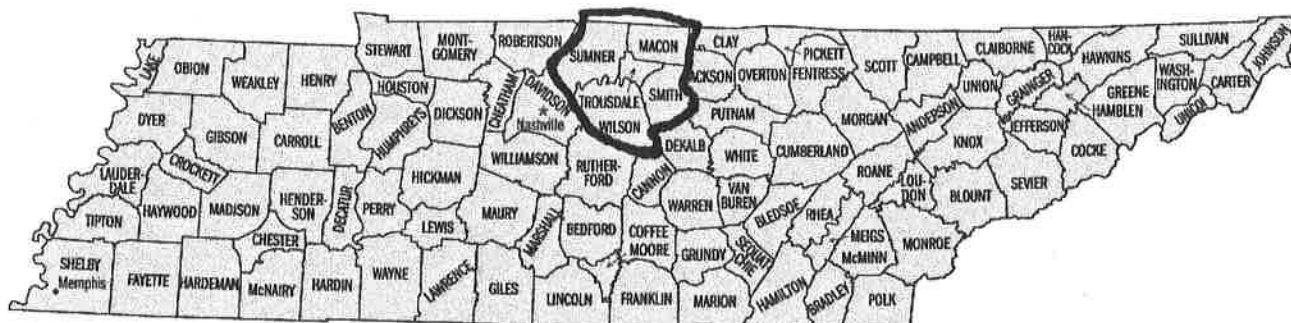
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Section C – General Criteria for Certificate of Need – Need – Item # 2
(County-Level Service Area Map)



**Section C – General Criteria for Certificate of Need – Need – Item # 6
(Applicant Projection Methodology for 2016-2017 MRI Procedures)**

Table 1

# Evaluation & Management per Month			
Year	Month	Month	Month
2015	July	August	September
Actual # 2015 E & M's per month	1328	1219	1498
Average # 2015 E & M's per Month			
Projected E & M's for Year 2015		1,348.33	
		16,180	

July+Aug+Sept E&M/3
Ave E&M/month x 12

Table 2

# MRI's per Month			
Year	Month	Month	Month
2015	July	August	September
Actual # 2015 MRIs per month	91	108	126
Average # 2015 MRI's per Month			
Projected MRI's for Year 2015		108	
		1,296	

July+Aug+Sept MRI/3
Ave MRI/mon x 12

Table 3

Physician Ordered MRI's per Month			
Year	Month	Month	Month
2015	July	August	September
Actual # 2015 Current MD Ordered MRIs per month	44	32	55
Average # MRI's per Month			
Projected MRI's for 2015		43.67	
Projected MRI's for 4 month 2015		524	
Projected MRI's for 6 month 2015		175	
		262	

July+Aug+Sept MRI/3
Ave MRI/mon x 12
Ave MRI/mon x 4
Ave MRI/mon x 6

Table 4

Projected E & M's Due to Growth			
	Year	Year	Year
	2015	2016	2017
# Projected E & M's per Year	16,180	18,956	22,209
10% Increase due to new facility & location		1,618	1,896
5 % Increase due to new referral relationships		809	948
Increase due to Population Growth of 2.155%/yr		349	409
Prior Year Projected E & M's		16,180	18,956
# Projected E & M's per Year	16,180	18,956	22,209
Annual Increase = Annual E&M's x 0.10			
Annual Referral Increase = Annual E&M's x 0.05			
2010 - 2020 Area Population Growth Rate = 21.55%			
Annual Area Population Growth Rate = 2.155%/year			
Growth Rate = Annual E&M's x 0.02155			
Projected Annual E&M's = Increase+Referrals+Growth Rate+ Prior year E&M's			

Table 5

Projected MRI's Due to Growth + Additional Physicians			
	Year	Year	Year
	2015	2016	2017
# Projected E & M's per Year	16,180	18,956	22,209
# Projected MRI's due to Growth	1,296	1,518	1,779
# MRI's ordered in 4 mo (Sept 2016) from additional 2016 MD		175	
# MRI's ordered in 1 yr from additional 2016 MD			524
# MRI's ordered in 6 mo (June 2017) from additional 2017 MD			262
MRI's growth + Additional Physicians	1,296	1,693	2,565
<div> <div>2015 MRI's / 2015 E&M's = 0.0801MRI per E&M</div> <div>2016 MRI = 2016 E&M x 0.0801</div> <div>2017 MRI = 2017 E&M x 0.0801</div> <div>2016 MRI's for 4 months New Physician</div> <div>2017 MRI's for 12 months 2016 Physician</div> <div>2017 MRI's for 6 months 2017 Physician</div> <div>Proj Annual MRI's = Growth MRI's + Additional Physicians MRI's</div> </div>			
			<div>1296/16180=0.0801</div> <div>18,956 x 0.0801 = 1518</div> <div>21,941 x 0.0801 = 1757</div> <div>Ave MD MRI/mon x 4</div> <div>Ave MD MRI/mon x 12</div> <div>Ave MD MRI/mon x 6</div>

Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 6.A
(Current and Proposed MRI Charge Schedules)

PROC#/NAME	SHORT NAME	CODES	RBRVS	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE
7372326	MRI JOINT LOW E		Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	314.00						
71550	MRI CHEST W/O C	71550	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,630.00						
7155026	MRI CHEST W/O C	71550	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	213.00						
71550TC	MRI SPINE W/O C	71550TC	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,417.00						
72141	MRI NECK W/O CO	72141	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,381.00						
7214126	MRI SPINE W/O C	72141	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	216.00						
72141TC	MRI SPINE	72141	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,165.00						
72146	MRI CHEST W/O C	72146	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,381.00						
7214626	MRI CHEST SPINE	72146	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	215.00						
72146TC	MRI CHEST W/O C	72146	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	400.00						
72148	MRI LUMBAR W/O	72148	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,381.00						
7214826	MRI LUMBAR W/O	72148	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	216.00						
72148TC	MRI LUMBAR SPIN	72148	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	1,164.00						
72156	MRI C SPINE	72156	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	2,557.00						
7215626	MRI C SPINE W-W	72156	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	334.00						
72156TC	MRI C SPINE W-W	72156	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	2,222.74						
72158	MRI LUMBAR W-W/	72158	Work .0000 Pr. Exp .0000 Malp. .0000 Prof. .0000 Tech. .0000	1	2,557.00						
7215826	MRI LUMBAR SPIN	72158	Work .0000 Pr. Exp .0000 Malp. .0000	1	335.00						

PROC#/NAME	SHORT NAME	CODES	RBRVS	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE
72158TC	MRI LUMBAR SPIN	72158	Prof. Tech. Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000 .0000 .0000	1	2,221.00					
72195	MRI PELVIS W/O	72195	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,630.00					
7219526	MRI PELVIS W/O	72195	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	214.00					
72195TC	MRI PELVIS	72195	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,416.00					
73218	MRI UPPER EXT W	73218	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,626.00					
7321826	MRI UPPER EXTRE	73218	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	130.00					
73218TC	MRI UPPER	73218	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,496.00					
73220	MRI UPPER	73220	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,408.00					
7322026	MRI UPPER EXT W	73220	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	314.00					
73220TC	MRI UPPER EXTRE	73220	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,094.00					
73221	MRI UPPER EXT W	73221	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,626.00					
7322126	MRI UPPER JOINT	73221	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	198.00					
73221TC	MRI UPPER	73221	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,428.00					
73222	MRI UPPER EXT W	73222	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,670.00					
7322226	MRI UPPER EXT W	73222	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	235.00					
73222TC	MRI UPPER EXT W	73222	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,435.00					
73223	MRI, UP EXTREM	73223	Work Pr. Exp Malp. Prof. Tech.	.0000 .0000 .0000 .0000 .0000	1	1,285.00					
7322326	MRI, UP EXTREM	73223	Work	.0000	1	314.00					

PROC#/NAME	SHORT NAME	CODES	RBRVS	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE	SLOT#	FEE
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
7322327	MRI, UP EXTREM	73223	Work	.0000	1	970.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73223TC	MRI, UP EXTREM	73223	Work	.0000	1	975.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73718	MRI LOWER EXT W	73718	Work	.0000	1	1,626.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
7371826	MRI UPPER EXT W	73718	Work	.0000	1	196.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73718TC	MRI UPPER EXT W	73718	Work	.0000	1	1,430.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73720	MRI LOWER EXT W	73720	Work	.0000	1	1,626.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
7372026	MRI LOWER EXT W	73720	Work	.0000	1	314.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73720TC	MRI LOWER EXT W	73720	Work	.0000	1	1,312.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73721	MRI JOINT LOW E	73721	Work	.0000	1	1,626.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
7372126	MRI JOINT LOW E	73721	Work	.0000	1	198.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73721TC	MRI JOINT LOW E	73721	Work	.0000	1	1,428.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73722	MRI LOW	73722	Work	.0000	1	1,626.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
7372226	MRI LOW EXT WIT	73722	Work	.0000	1	238.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73722TC	MRI LOW EXT WIT	73722	Work	.0000	1	1,388.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73723	MRI JOINT LOW E	73723	Work	.0000	1	2,148.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							
73723TC	MRI JOINT LOW E	73723	Work	.0000	1	1,834.00					
			Pr. Exp	.0000							
			Malp.	.0000							
			Prof.	.0000							
			Tech.	.0000							

Section C – General Criteria for Certificate - Economic Feasibility – Item # 10
(2014 YE Unaudited Financial Statements; 8/31/15 YTD Unaudited Financial Statements)

Tennessee Orthopedics, PC
Balance Sheet
December 31, 2014

ASSETS

Current Assets		
Cash - First Tennessee	\$ 38,731.60	
Cash - Wilson Bank	(19,015.52)	
Pinnacle Checking	3,351.60	
RMA Escrow	19,854.80	
N/R TOPS Partnership	2,375.23	
	<hr/>	
Total Current Assets		45,297.71
Property and Equipment		
Medical Equipment - ANC	528,882.40	
Medical Equipment - PHT	175,743.40	
Medical Equipment	130,165.37	
Office Equipment	341,538.13	
Furniture & Fixtures	67,463.29	
Accumulated Depreciation - ANC	(528,882.00)	
Accumulated Depreciation - PHT	(175,744.00)	
Accumulated Depreciation	(474,323.39)	
	<hr/>	
Total Property and Equipment		64,843.20
Other Assets		
	<hr/>	
Total Other Assets		0.00
		<hr/>
Total Assets	\$	<u>110,140.91</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Shareholder Loan	\$ (103.39)	
	<hr/>	
Total Current Liabilities		(103.39)
Long-Term Liabilities		
Line of Credit - Pinnacle	52,000.00	
Equipment Lease	12,616.42	
Equipment Lease	51,021.31	
	<hr/>	
Total Long-Term Liabilities		115,637.73
		<hr/>
Total Liabilities		115,534.34
Capital		
Retained Earnings	6,431.75	
Common Stock	8,000.00	
Net Income	(19,825.18)	
	<hr/>	
Total Capital		(5,393.43)
		<hr/>
Total Liabilities & Capital	\$	<u>110,140.91</u>

Unaudited - For Management Purposes Only

Tennessee Orthopedics, PC
Income Statement
For the Twelve Months Ending December 31, 2014

	Current Month		Year to Date	
Revenues				
Fees	\$ 289,028.79	108.19	\$ 2,873,521.30	102.66
Other Income	0.00	0.00	77,311.24	2.76
Refunds	(814.10)	(0.30)	(59,415.18)	(2.12)
Rental Income	500.00	0.19	6,500.00	0.23
Total Revenues	288,714.69	108.07	2,897,917.36	103.53
Expenses				
Automobile Expense	741.99	0.28	4,334.61	0.15
Bank Service Charges	416.97	0.16	8,267.70	0.30
Billing & Collection	0.00	0.00	13,784.61	0.49
Contract Labor	2,591.19	0.97	25,254.64	0.90
Contracted Services	7,975.52	2.99	68,695.06	2.45
Dues & Subscriptions	0.00	0.00	2,847.95	0.10
Equipment Lease	15,960.34	5.97	136,699.90	4.88
Gifts & Flowers	0.00	0.00	2,045.44	0.07
Insurance - Staff	(6,250.85)	(2.34)	11,578.45	0.41
Interest Expense	687.09	0.26	6,857.99	0.25
Laundry	157.50	0.06	2,048.08	0.07
License & Permits	303.80	0.11	3,884.80	0.14
Malpractice Insurance	0.00	0.00	30,701.84	1.10
Marketing Expense	2,626.00	0.98	11,038.47	0.39
Medical Waste	259.49	0.10	2,594.90	0.09
Miscellaneous	12,903.54	4.83	536,270.19	19.16
Miscellaneous	11,760.00	4.40	23,520.00	0.84
Office Expense	9,220.96	3.45	103,538.23	3.70
Payroll Fees	282.12	0.11	282.12	0.01
Payroll - Staff Compensation	93,912.52	35.15	716,270.48	25.59
Postage & Delivery	58.49	0.02	7,211.14	0.26
Printing & Reproduction	274.22	0.10	5,005.37	0.18
Professional Fees - Accounting	0.00	0.00	8,410.00	0.30
Professional Fees - Legal	2,719.60	1.02	10,135.94	0.36
Rent	18,916.17	7.08	239,231.94	8.55
Repairs	289.47	0.11	3,822.82	0.14
Service Agreement	8,608.73	3.22	101,699.48	3.63
Supplies - Ancillary	0.00	0.00	772.13	0.03
Supplies - Drugs & Injections	7,500.00	2.81	59,408.56	2.12
Supplies - Medical	3,138.98	1.17	19,170.39	0.68
Supplies - Office	3,491.50	1.31	12,639.05	0.45
Supplies - Other	132.11	0.05	18,478.07	0.66
Taxes - Personal Property	7,848.00	2.94	17,233.00	0.62
Taxes - Real Estate	0.00	0.00	7,918.00	0.28
Taxes - Staff Payroll	4,120.72	1.54	45,236.43	1.62
Taxes - State	0.00	0.00	9,784.00	0.35
Telephone - Answering Service	324.50	0.12	4,219.28	0.15
Telephone - Mobile	466.55	0.17	3,307.01	0.12
Telephone Service	1,454.22	0.54	17,960.14	0.64
Travel - CME	0.00	0.00	7,059.12	0.25
Utilities	2,058.69	0.77	29,016.74	1.04
Total Expenses	214,950.13	80.46	2,338,234.07	83.54
Net Income Before Physician Comp & O	\$ 73,764.56	27.61	\$ 559,683.29	20.00
Physician's Compensation				
Disability Ins - Physician	\$ 0.00	0.00	\$ 2,548.27	0.09
Health Insurance - Physician	(1,644.78)	(0.62)	781.09	0.03
Payroll - Physician Salary	39,800.65	14.90	510,094.96	18.22

For Management Purposes Only

Tennessee Orthopedics, PC
Income Statement
For the Twelve Months Ending December 31, 2014

	Current Month		Year to Date	
Payroll Taxes - Physician	756.68	0.28	16,452.15	0.59
Total Physician's Compensation	\$ 38,912.55	14.57	\$ 529,876.47	18.93
Net Income Before Other Income & Exp	\$ 34,852.01	13.05	\$ 29,806.82	1.06
Other Income & Expenses				
Depreciation	\$ 4,320.11	1.62	\$ 49,632.00	1.77
Total Other Income & Expenses	4,320.11	1.62	49,632.00	1.77
Total	\$ 30,531.90	11.43	\$ (19,825.18)	(0.71)

For Management Purposes Only

Tennessee Orthopedics, PC 2015
Balance Sheet
August 31, 2015

ASSETS

Current Assets		
Cash - First Tennessee	\$ 31,252.23	
Cash - Wilson Bank	(96,778.80)	
Cash - Pinnacle Bank Checking	22,445.39	
RMA Escrow Account	19,854.80	
A/R-Neely/Cornelius (Meaningful)	11,973.60	
Employee Loan	12,000.00	
	<hr/>	
Total Current Assets		747.22
Property and Equipment		
Medical Equipment - ANC	528,882.40	
Medical Equipment - Gallatin	28,480.21	
Medical Equipment - IRG	175,743.40	
Leasehold Improvements	31,698.84	
Medical Equipment	130,165.37	
Office Equipment	342,977.18	
Furniture & Fixtures	67,463.29	
Accumulated Depreciation - ANC	(528,882.00)	
Accumulated Depreciation - IRG	(175,744.00)	
Accumulated Depreciation	(496,100.18)	
	<hr/>	
Total Property and Equipment		104,684.51
Other Assets		
	<hr/>	
Total Other Assets		0.00
Total Assets	\$	<u>105,431.73</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Shareholder Loan	\$ (10,831.80)	
	<hr/>	
Total Current Liabilities		(10,831.80)
Long-Term Liabilities		
Line of Credit - Pinnacle	134,374.00	
Equipment Lease	5,922.95	
Equipment Lease	30,928.16	
	<hr/>	
Total Long-Term Liabilities		171,225.11
Total Liabilities		160,393.31
Capital		
Retained Earnings	(13,393.43)	
Common Stock	8,000.00	
Net Income	(49,568.15)	
	<hr/>	
Total Capital		(54,961.58)
Total Liabilities & Capital	\$	<u>105,431.73</u>

Unaudited - For Management Purposes Only

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Eight Months Ending August 31, 2015

	Current Month		Year to Date	
Revenues				
Fees	\$ 24,425.54	9.13	\$ 194,833.58	10.06
Fees	57,207.69	21.39	411,480.59	21.24
Fees	10.00	0.00	797.73	0.04
Fees for Beau	0.00	0.00	56,072.86	2.89
Fees	9,524.50	3.56	30,223.50	1.56
Fees	30,474.20	11.40	319,012.59	16.46
Fees	10.00	0.00	2,623.73	0.14
Fees	123,996.41	46.37	802,654.34	41.42
Fees	25.00	0.01	541.69	0.03
Fees	23,461.73	8.77	97,229.38	5.02
Fees for Greg	158.48	0.06	21,964.58	1.13
Fees	0.00	0.00	360.00	0.02
Other Income	0.00	0.00	1,537.12	0.08
Other Income	0.00	0.00	352.77	0.02
Refunds	0.00	0.00	(200.00)	(0.01)
Refunds	0.00	0.00	(873.57)	(0.05)
Refunds	0.00	0.00	(101.35)	(0.01)
Refunds	0.00	0.00	41.71	0.00
Refunds	(2,550.50)	(0.95)	(4,787.07)	(0.25)
Refunds	0.00	0.00	65.12	0.00
Refunds	0.00	0.00	(323.40)	(0.02)
Returned Checks	0.00	0.00	(56.94)	0.00
Returned Checks	0.00	0.00	(66.94)	0.00
Rental Income	0.00	0.00	1,500.00	0.08
Rental Income	668.99	0.25	2,796.49	0.14
Total Revenues	267,412.04	100.00	1,937,678.51	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	267,412.04	100.00	1,937,678.51	100.00
Expenses				
Accounting Fees	3,800.00	1.42	14,295.00	0.74
Automobile Expenses	137.50	0.05	1,025.16	0.05
Automobile Expenses	576.42	0.22	2,383.05	0.12
Bank Service Charges	0.00	0.00	359.13	0.02
Bank Service Charges	0.00	0.00	1,432.48	0.07
Bank Service Charge	0.00	0.00	14.00	0.00
Billing & Collections	0.00	0.00	252.10	0.01
Billing & Collections	0.00	0.00	34.18	0.00
Billing & Collections	0.00	0.00	315.29	0.02
Billing & Collections	0.00	0.00	759.00	0.04
Billing & Collections	9,311.97	3.48	31,135.41	1.61
Billing & Collections	0.00	0.00	183.89	0.01
Computer Repair & Svs.	0.00	0.00	1,908.13	0.10
Computer Repair & Svs.	0.00	0.00	845.30	0.04
Computer Repair & Svs.	1,221.57	0.46	7,471.82	0.39
Contract Labor	0.00	0.00	269.01	0.01
Contract Labor	0.00	0.00	5,604.50	0.29
Contract Labor	0.00	0.00	250.00	0.01
Contract Labor	0.00	0.00	3,575.75	0.18
Contract Labor	1,817.50	0.68	10,266.40	0.53
Contracted Services	0.00	0.00	200.61	0.01

For Management Purposes Only

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Eight Months Ending August 31, 2015

	Current Month		Year to Date	
Contracted Services	216.24	0.08	757.90	0.04
Contracted Services	5,002.04	1.87	26,890.98	1.39
Credit Card Fees	0.00	0.00	122.21	0.01
Credit Card Fees	0.00	0.00	565.67	0.03
Credit Card Fees	95.38	0.04	1,362.64	0.07
Dues & Subscriptions	0.00	0.00	75.00	0.00
Dues and Subscriptions	0.00	0.00	84.00	0.00
Dues & Subscriptions	235.00	0.09	815.82	0.04
Dues & Subscriptions	149.23	0.06	2,097.23	0.11
Equipment Lease	34,432.01	12.88	145,239.47	7.50
Equipment Lease	0.00	0.00	310.60	0.02
Flowers & Gifts	0.00	0.00	165.18	0.01
Flowers & Gifts	0.00	0.00	125.15	0.01
Housekeeping/Maintenance	20.00	0.01	320.00	0.02
Housekeeping/Maintenance	162.78	0.06	334.30	0.02
Housekeeping/Maintenance	0.00	0.00	3,048.00	0.16
Insurance - General Liability	472.50	0.18	3,258.00	0.17
Insurance - Staff	(59.60)	(0.02)	(454.47)	(0.02)
Insurance - Staff	127.36	0.05	1,640.36	0.08
Insurance - Staff	(122.04)	(0.05)	(518.86)	(0.03)
Insurance - Staff	222.70	0.08	(1,604.60)	(0.08)
Insurance - Staff	0.00	0.00	266.40	0.01
Insurance - Work Comp	114.50	0.04	1,846.50	0.10
Interest Expense	0.00	0.00	370.81	0.02
Interest Expense	1,015.00	0.38	8,690.85	0.45
Laundry	210.35	0.08	220.67	0.01
Laundry	140.74	0.05	140.74	0.01
Laundry	103.95	0.04	1,684.62	0.09
Legal Fees	925.00	0.35	925.00	0.05
Legal Fees	0.00	0.00	616.00	0.03
Legal Fees	2,035.00	0.76	6,860.80	0.35
Legal Fees	11,680.69	4.37	38,352.12	1.98
Licenses & Permits	0.00	0.00	69.04	0.00
Licenses & Permits	0.00	0.00	50.00	0.00
Licences & Permits	0.00	0.00	285.00	0.01
Licenses & Permits	0.00	0.00	1,888.42	0.10
Licenses & Permits	235.00	0.09	235.00	0.01
Marketing	235.00	0.09	2,235.00	0.12
Marketing	83.16	0.03	665.28	0.03
Marketing	546.84	0.20	5,852.17	0.30
Meals & Entertainment	142.98	0.05	576.39	0.03
Meals and Entertainment	0.00	0.00	50.92	0.00
Medical Waste	0.00	0.00	13.33	0.00
Medical Waste	797.31	0.30	2,445.33	0.13
Office Expense	0.00	0.00	84.10	0.00
Office Expense	69.00	0.03	1,437.12	0.07
Office Expense	0.00	0.00	207.05	0.01
Office Expense	73.50	0.03	1,137.91	0.06
Payroll Fees	587.66	0.22	2,936.49	0.15
Payroll - Staff Compensation	4,747.42	1.78	38,431.56	1.98
Payroll - Staff Compensation	30,018.55	11.23	162,145.00	8.37
Payroll - Staff Compensation	5,337.57	2.00	26,215.60	1.35
Payroll - Staff Compensation	1,923.08	0.72	5,769.24	0.30
Payroll - Staff Compensation	22,640.86	8.47	264,872.76	13.67
Payroll - Staff Compensation	9,583.34	3.58	81,458.41	4.20
Postage & Delivery	0.00	0.00	84.17	0.00
Postage & Delivery	48.99	0.02	48.99	0.00
Postage & Delivery	28.86	0.01	1,038.01	0.05

For Management Purposes Only

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Eight Months Ending August 31, 2015

	Current Month		Year to Date	
Printing & Reproduction	0.00	0.00	264.44	0.01
Printing & Reproduction	0.00	0.00	207.75	0.01
Printing & Reproduction	0.00	0.00	921.47	0.05
Printing & Reproduction	482.07	0.18	2,019.95	0.10
Rent	2,250.00	0.84	18,220.00	0.94
Rent	0.00	0.00	640.00	0.03
Rent	2,921.52	1.09	33,195.16	1.71
Rent	855.15	0.32	2,565.45	0.13
Rent	800.00	0.30	2,400.00	0.12
Rent	19,135.29	7.16	102,480.46	5.29
Repairs	0.00	0.00	279.69	0.01
Repairs	0.00	0.00	400.00	0.02
Repairs	0.00	0.00	8,638.57	0.45
Repairs	0.00	0.00	5,661.55	0.29
Service Contract - Equipment	9,023.71	3.37	67,761.11	3.50
Service Contract - Equipment	0.00	0.00	1,523.15	0.08
Service Contract - Equipment	1,458.75	0.55	1,850.25	0.10
Supplies - Drugs & Injections	0.00	0.00	5,250.00	0.27
Supplies - Drugs and Injection	4,137.92	1.55	4,844.39	0.25
Supplies - Drugs & Injections	14,000.00	5.24	57,167.00	2.95
Supplies - Medical	796.40	0.30	1,513.07	0.08
Medical Supplies	0.00	0.00	107.60	0.01
Supplies - Medical	0.00	0.00	46.15	0.00
Supplies - Medical	6,010.73	2.25	26,587.26	1.37
Supplies - Office	0.00	0.00	144.16	0.01
Office Supplies	0.00	0.00	1,890.24	0.10
Supplies - Office	774.75	0.29	9,245.48	0.48
Supplies - Other	6.51	0.00	6.51	0.00
Supplies - Other	2.79	0.00	2.79	0.00
Supplies - Other	21.70	0.01	1,149.13	0.06
Taxes - Franchise & Excise	0.00	0.00	2,600.00	0.13
Taxes - Personal Property	0.00	0.00	1,678.96	0.09
Taxes - Staff Payroll	362.97	0.14	2,968.83	0.15
Taxes - Staff Payroll	605.72	0.23	9,906.50	0.51
Taxes - Staff Payroll	398.76	0.15	1,970.65	0.10
Taxes - Staff Payroll	162.50	0.06	487.50	0.03
Taxes - Staff Payroll	2,310.71	0.86	22,653.26	1.17
Taxes - Staff Payroll	733.12	0.27	6,294.40	0.32
Telephone/Internet/TV	524.54	0.20	2,596.04	0.13
Telephone/Internet/TV	1,525.62	0.57	5,351.46	0.28
Telephone/Internet/TV	1,921.66	0.72	15,470.51	0.80
Tier II Expenses	20,258.00	7.58	277,031.00	14.30
Transcription	177.92	0.07	177.92	0.01
Transcription	120.33	0.04	528.96	0.03
Transcription	0.00	0.00	789.84	0.04
Travel CME	0.00	0.00	1,500.00	0.08
Travel - CME	0.00	0.00	7,336.14	0.38
Travel - CME	0.00	0.00	295.00	0.02
Utilities	1,426.74	0.53	11,009.61	0.57
Utilities	784.42	0.29	2,829.97	0.15
Utilities	79.82	0.03	5,188.58	0.27
Utilities	1,414.42	0.53	1,414.42	0.07
Disability Ins - Mid-level	48.72	0.02	638.72	0.03
Disability Ins - Staff	0.00	0.00	57.82	0.00
Disability Ins - Physician	377.44	0.14	2,076.30	0.11
Disability Ins - Mid-level	0.00	0.00	1,427.34	0.07
Health Ins - Physician	(36.23)	(0.01)	3,378.47	0.17
Payroll - Phy Salary	21,117.69	7.90	281,519.17	14.53

For Management Purposes Only

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Eight Months Ending August 31, 2015

	Current Month		Year to Date	
Payroll Taxes - Physician	380.22	0.14	11,888.13	0.61
Depreciation	2,603.20	0.97	21,776.79	1.12
Ancillary Bonus Allocated	0.00	0.00	(49,399.25)	(2.55)
Ancillary Bonus Allocated	0.00	0.00	49,399.25	2.55
Total Expenses	271,118.49	101.39	1,987,246.66	102.56
Net Income	\$ (3,706.45)	(1.39)	\$ (49,568.15)	(2.56)

For Management Purposes Only

Section C – General Criteria for Certificate of Need - Contribution to the Orderly
Development of Health Care - Item # 1.A.
(Advanced Diagnostic Imaging, P.C. - Professional Services Agreement)

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made and entered into as of January 31, 2008 by and between ADVANCED DIAGNOSTIC IMAGING, P.C., a Tennessee professional corporation ("ADI"), and TENNESSEE ORTHOPEDICS, P.C. a Tennessee corporation (the "Purchaser").

RECITALS:

A. ADI is a professional corporation engaged in the operation of a medical practice specializing in radiology located in the Nashville, Tennessee area.

B. Purchaser is a group practice consisting of physicians who are duly licensed to practice medicine in the State of Tennessee.

C. The parties desire to provide for the exclusive reading of film, scans and other images by ADI on the terms and conditions set forth below.

NOW THEREFORE, for and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Engagement. Purchaser hereby engages ADI, and ADI hereby accept such engagement, to provide the exclusive primary interpretation of films, scans and other images for patients of Purchaser on the terms and conditions set forth herein.

2. Independent Contractors. The parties hereto expressly acknowledge that Purchaser and ADI are "independent contractors," and that nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, or to allow Purchaser to exercise control or direction over the manner or method by which ADI performs the services called for hereunder.

3. Radiologists. The term "Radiologists" means those physicians who are designated by ADI to provide services to Purchaser on behalf of ADI pursuant to this Agreement. Each Radiologist shall, at all times during the term of this Agreement, hold a valid and unrestricted license to practice medicine in the State of Tennessee, as well as all other state and federal licenses, certifications, and permits necessary to permit such Radiologist to provide such services to Purchaser in accordance with applicable law.

4. Billing and Collection. ADI shall be responsible for billing and collecting all professional fees associated with ADI's interpretation of films, scans and other images for patients of Purchaser rendered by the Radiologists in connection with this Agreement. Purchaser shall provide to ADI, on a timely basis, adequate information in order for ADI to promptly bill the professional component of services rendered hereunder. Amounts received by ADI shall be ADI's sole compensation for the services provided hereunder.

5. Compensation. Except with respect to payments for the services rendered in connection with Section 6, amounts received by ADI pursuant to Section 4 shall be ADI's sole compensation for the services provided hereunder.

6. Technical Personnel. Purchaser shall provide the facilities and personnel necessary to generate the images to be interpreted by ADI hereunder; provided, however, that in the event of the temporary unavailability of Purchaser's technical personnel due to illness, vacation etc, ADI shall, to the extent available and practical, supply such personnel. Purchaser shall pay to ADI as a fee for the provision of such personnel ADI's costs of providing such personnel (including salary, benefits, insurance and other costs) plus 10% of such costs. ADI shall invoice Purchase for such fee on a monthly basis, and such invoice shall be payable within twenty days of the date thereof. Such personnel shall be supervised by Purchaser while providing services to Purchaser.

7. Term. The term of this Agreement shall commence on January 11th, 2008 (the "Effective Date") and shall terminate on the last day on which a film, scan or other image received on or before December 31st, 2008 is read by ADI. This Agreement shall automatically renew for additional successive one (1) year terms unless either party shall deliver to the other party written notice of non-renewal at least sixty (60) days before the end of the then current term.

8. Termination by Either Party Without Cause. This Agreement may be terminated by either party upon sixty (60) days prior written notice to the other party, provided that if this Agreement is terminated prior to the end of the one (1) year period beginning on the Effective Date, the parties shall not enter into another agreement with each other for the same or similar services being provided hereunder until the end of one (1) year following the Effective Date.

9. Termination by Either Party With Cause. Either party shall have the right, in its sole and absolute discretion, to immediately terminate this Agreement if a breach of any of the material terms of this Agreement by the other party occurs, which breach is not cured or remedied within five (5) days after delivery of written notice to the other party specifying the nature of the breach.

10. Quality of Films. Films, scans or other images provided by Purchaser to ADI pursuant to this Agreement shall be readable and of high quality consistent with the standard of care in the community and/or the guidelines of the American College of Radiology. ADI shall have the right, in its sole and absolute discretion, to refuse to overread a film, scan or other image which it deems to be unreadable.

11. Insurance. ADI shall maintain and keep in full force and effect during the entire term of this Agreement, at its own expense and cost, professional liability insurance with minimum coverage in the amount of \$1,000,000 per occurrence, \$3,000,000 annual aggregate. ADI shall provide a certificate evidencing such coverage to Purchaser upon Purchaser's request. Purchaser shall maintain and keep in full force and effect during the entire term of this Agreement, at its own expense and cost, professional liability insurance with minimum coverage in the amount of \$1,000,000 per occurrence, \$3,000,000 annual aggregate. Purchaser shall provide a certificate evidencing such coverage to ADI upon ADI's request.

12. Access to Records. To the extent required by applicable law or regulation, until the expiration of four (4) years after the furnishing of services hereunder, ADI shall make available, upon written request, to the Secretary of Health and Human Services, or upon written request, to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, including all amendments hereto, and all books, documents and records of ADI that are necessary to certify the nature and extent of costs for services provided hereunder.

13. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if given in person, sent by a recognized overnight delivery service or sent by registered or certified mail to:

In case of ADI:

Advanced Diagnostic Imaging, P.C.
3024 Business Park Circle
Goodlettsville, TN 37070
Attn: President

In case of Purchaser:

Tennessee Orthopedics, P.C.
1616 West Main Street
Lebanon, TN
Attn: President

Such notice shall be deemed effective when delivered in person, delivered by the overnight service, or when posted, as appropriate.

14. Entire Agreement; Counterparts. This Agreement supersedes all previous contracts and constitutes the entire agreement between the parties. Neither party shall be entitled to benefits other than those specified herein. No oral statements or prior written material not specifically incorporated herein shall be of any force and effect, and no changes in or additions to this Agreement shall be recognized unless incorporated herein by amendment as provided herein, such amendment(s) to become effective on the date stipulated in such amendment(s). The parties specifically acknowledge that, in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

15. Assignment. No party may assign its rights or obligations under this Agreement without the express written consent of all of the other parties.

16. Governing Law. This Agreement has been executed and delivered in, and shall be governed by, and construed and enforced in accordance with, the laws of the state of Tennessee.

17. Attorneys Fees. If either party engages an attorney to enforce its right hereunder in a court proceeding, the prevailing party shall be entitled to its costs, expenses, and reasonable attorneys fees.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have entered into Agreement as of the date first set forth above.

ADI:

ADVANCED DIAGNOSTIC IMAGING, P.C.

By: Michael R. Morland

Title: CEO

PURCHASER:

TENNESSEE ORTHOPEDICS, P.C.

By: R. J. [Signature]

Title: TN ORTHO



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

November 2, 2015

Christi Griffin, Esq.
113 E. Main Street
Lebanon, TN 37087

RE: Certificate of Need Application -- Tennessee Orthopedics, P.C. - CN1510-041

For the relocation of a magnetic resonance imaging (MRI) scanner by Tennessee Orthopedics, P.C. from 1616 West Main Street, Lebanon, TN 37087 to 101 Physicians Way, Lebanon, TN 37087. Applicant also proposes to upgrade the current MRI scanner with a new 1.5 Tesla MRI unit. The estimated project cost is \$2,471,197.43

Dear Ms. Griffin:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on November 2, 2015. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on January 27, 2016.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243


www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill 
Executive Director

DATE: November 2, 2015

RE: Certificate of Need Application
Tennessee Orthopedics, P.C. - CN1510-041

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on November 2, 2015 and end on January 1, 2016.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Christi Griffin, Esq.



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Wilson Post which is a newspaper
(Name of Newspaper)
of general circulation in Wilson County, Tennessee, on or before October 2, 2015,
(County) (Month / day) (Year)
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Tennessee Orthopedics, P.C.

(Name of Applicant)

Professional Private Practice

(Facility Type-Existing)

owned by: Roy C. Terry, M.D. with an ownership type of Professional Corporation

and to be managed by: Tennessee Orthopedics, P.C. intends to file an application for a Certificate of Need

for: Relocation of existing CON for MRI from current location to new leased location at 101 Physicians Way, Lebanon, TN 37090. MRI equipment under existing CON to be replaced with new MRI equipment at new location. Total estimated project cost is \$ 2,471,197.43.

The anticipated date of filing the application is: October 6, 2015

The contact person for this project is Christi D. Griffin, Esq. Counsel to Applicant
(Contact Name) (Title)

who may be reached at: Griffin Law Office 113 E. Main Street
(Company Name) (Address)

Lebanon, TN 37087 (615) 668-0462
(City) (State) (Zip Code) (Area Code / Phone Number)

Christi D. Griffin 10/2/2015 christi@griffinlawtn.com
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

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OCT 2 15 2:18

LETTER OF INTENT

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Tennessee Orthopedics, P.C.

(Name of Applicant)

Professional Private Practice

(Facility Type-Existing)

owned by: Roy C. Terry, M.D. with an ownership type of Professional Corporation

and to be managed by: Tennessee Orthopedics, P.C. intends to file an application for a Certificate of Need

for: Relocation of existing CON for MRI from current location to new leased location at 101 Physicians Way, Lebanon, TN 37090. MRI equipment under existing CON to be replaced with new MRI equipment at new location. Total estimated project cost is \$ 2,471,197.43.

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The contact person for this project is Christi D. Griffin, Esq. Counsel to Applicant
(Contact Name) (Title)

who may be reached at: Griffin Law Office 113 E. Main Street
(Company Name) (Address)

Lebanon,

(City)

TN

(State)

37087

(Zip Code)

(615) 668-0462

(Area Code / Phone Number)

Christi D. Griffin
(Signature)

10/2/2015
(Date)

christi@griffinlawtn.com

(E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

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Nashville, Tennessee 37243

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Phone: 615-741-2364

Fax: 615-741-9884

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The Publication of Intent is to be published in the Wilson Post which is a newspaper
(Name of Newspaper)
of general circulation in Wilson County, Tennessee, on or before October 2, 2015,
(County) (Month / day) (Year)
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Tennessee Orthopedics, P.C.

(Name of Applicant)

Professional Private Practice

(Facility Type-Existing)

owned by: Roy C. Terry, M.D. with an ownership type of Professional Corporation

and to be managed by: Tennessee Orthopedics, P.C. intends to file an application for a Certificate of Need

for: Relocation of existing CON for MRI from current location to new leased location at 101 Physicians Way, Lebanon, TN 37090. MRI equipment under existing CON to be replaced with new MRI equipment at new location. Total estimated project cost is \$ 2,471,197.43.

The anticipated date of filing the application is: October 6, 2015

The contact person for this project is Christi D. Griffin, Esq. Counsel to Applicant
(Contact Name) (Title)

who may be reached at: Griffin Law Office 113 E. Main Street
(Company Name) (Address)

Lebanon, TN

(City)

(State)

37087

(Zip Code)

(615) 668-0462

(Area Code / Phone Number)

Christi D. Griffin

(Signature)

10/2/2015

(Date)

christi@griffinlawtn.com

(E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #1 -ORIGINAL-

Tennessee Orthopedics,
PC

CN1510-041



GRIFFIN
LAW OFFICE

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

October 26, 2015

Reply to: Christi D. Griffin, Esq.
christi.griffin@griffinlawtn.com

HAND-DELIVERY

Mr. Phillip Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
500 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application CN1510-041
Tennessee Orthopedics, P.C. – Relocation of an MRI
Applicant's Response to Request for Supplemental Information

Dear Mr. Earhart,

Please accept this filing as the response to your request for supplemental information on the above-captioned CON application filed by Tennessee Orthopedics, P.C. The signed and notarized affidavit supporting this response to request for supplemental information follows this cover letter, followed by the response to each supplemental question. Please do not hesitate to contact me should you have questions or require additional information.

Sincerely,


Christi D. Griffin

October 26, 2015

3:47 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF WILSON

NAME OF FACILITY: TENNESSEE ORTHOPEDICS, P.C.

I, ROY C. TERRY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.


Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24 day of October, 2015,
witness my hand at office in the County of Wilson, State of Tennessee.


NOTARY PUBLIC

My commission expires 03/01/2019.

HF-0043

Revised 7/02



October 26, 2015**3:47 pm****1. Section A. Item 1.**

The zip code of 37090 is noted as the proposed new MRI location. However, the lease states the zip code is 37087. Please clarify, and if necessary provide a corrected copy of the first page of the application.

RESPONSE:

37090 is the correct zip code. A copy of the corrected lease agreement for the MRI suite is attached hereto at Supp. Attachment, Section A - Applicant Profile - Item # 6 provides a corrected copy of the lease agreement.

October 26, 2015**3:47 pm****2. Section A, Applicant Profile, Item 1**

Please provide a brief summary of each of the following: 1) Ownership structure, 2) Service area, 3) Existing resources, 4) Project Costs, 5) Financial Feasibility, and 6) Staffing.

RESPONSE:

Ownership Structure: Tennessee Orthopedics, P.C. ("Applicant") is 100% owned by Roy C. Terry, M.D., and is a stand-alone professional corporation without subsidiary or parent organizations.

Service Area: Applicant's geographic service area includes Wilson, Smith, Macon, Sumner and Trousdale counties, with 89.1% of Applicant's patients originating in these five counties. Wilson County is Applicant's primary service area, with 39.56% of Applicant's patients originating in Wilson County. In addition to Applicant's main office located in Wilson County (Lebanon), Applicant maintains a second Wilson County office in Mount Juliet, and satellite medical offices in Sumner (Gallatin), Macon (LaFayette) and Smith (Carthage) Counties.

Existing Resources: The existing clinic location of 1616 West Main Street, Lebanon, Tennessee 37087 is a leased premises in need of substantial renovation that is too small to accommodate Applicant's short-term or long-term practice expansion goals. Applicant is relocating to a new strategically located medical office building located at 101 Physicians Way, Lebanon, Tennessee. The new medical office building will be leased from Phoenix Medical Office Building, LLC.

The existing MRI unit is a 2011 Signa HDe 1.5T 8-channel MR System leased from GE Healthcare. The lease on the 2011 Signa expires in December 2016, at which time Applicant would need to acquire newer technology. Rather than relocate the existing MRI to the new location for the less than one-year that will remain on the equipment lease term as of the relocation date of February 1, 2016, it is more cost effective for Applicant to upgrade to a new unit to be operational on the relocation date. Applicant is upgrading to a new GE Optima MR450w 1.5T MR System-MSK with Flex Arrays because the new Optima has a state-of-the art wide 70 cm bore to accommodate patients with a body habitus up to 500 pounds and because leasing the new MRI is more cost effective than retaining and relocating the 2011 Signa unit.

Project Costs: The total project cost, exclusive of the CON filing fee, is \$2,465,649.72. The break down of costs is as follows:

- \$1,210,156.70 for 7-year capital equipment lease for the Optima MRI unit.
- \$692,454.00 for 7-year service agreement commencing the second year of the capital equipment lease.
- \$84,678.86 for estimated 7% sales tax.
- \$463,360.16 for 8-year facility lease (includes MRI suite build-out and MRI shielding costs.)
- \$15,000.00 legal, administrative and consulting expense.

Financial Feasibility: The relocation and upgrade of Applicant's MRI is financially feasible for several reasons. First, Applicant is currently paying monthly rent to lease the facility and the current Signa MRI. Each of these lease obligations will terminate as of January 31, 2016, and will be replaced with the facility rent and new Optima MRI lease obligations that will commence on February 1, 2016. The existing lease obligations will be replaced with the new lease obligations and paid from current cash flows. Second,

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Applicant has begun to execute on its strategic plan to grow the practice through the addition of new physician and non-physician providers, which will result in increased MRI utilization and revenues to more than cover the MRI operational expenses. Third, Applicant has immediate access to a \$250,000 commercial line of credit to assist with cash flow shortages from time to time, such as temporary shortages caused by outstanding accounts receivable.

Staffing: Staffing requirements for the MRI unit operating Monday through Thursday and Friday as needed is one certified MRI technologist. Applicant currently employs one MRI technologist who will relocate to the new medical office and continue in the same role. Applicant's MRI technologist is paid \$34/hour, which annualizes to \$70,720 based on a full-time 40-hour workweek and is above the prevailing wage of \$68,000 annually in Lebanon, Tennessee. Applicant does not anticipate making any changes to MRI staffing or wages, except as may be required by increased volume or market-based wage patterns. Should it become necessary to hire additional MRI technologists, Lebanon is a sophisticated health care community with a ready supply of trained and competent providers, including trained MRI technologist.

October 26, 2015**3:47 pm****3. Section C. Need, Item 1 and II.C**

It is noted the new proposed MRI unit will accommodate patients weighing up to 500 lbs. What patient weight capacity does the current MRI accommodate? How many patients are referred to other providers because the current MRI cannot accommodate due to weight restrictions?

RESPONSE:

The current Signa scanner accommodates patients weighing up to 300 pounds. Based on the most recent four months of patient records, an estimated 6 to 8 patients are referred to Nashville each month. The reasons for the referrals are that the patient exceeds the 300-pound weight capacity for the current scanner, or the patient is a larger patient who cannot fit comfortably inside the scanner and is claustrophobic. In addition, an estimated 3-4 patients per month who do not fit comfortably inside the scanner choose to be sedated instead of being referred to Nashville. With the new Optima wide bore scanner, these patients will be able to fit comfortably without sedation.

October 26, 2015**3:47 pm****4. Section C, Need Item 1**

Please discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan."

RESPONSE:

Principle No. 1: Healthy Lives: As compared to other medical specialties, a greater number of orthopedic patients present with physical injuries and conditions for which a quality MRI scan is medically indicated for prompt and appropriate diagnosis and treatment. Applicant's in-office MRI enables patients to receive an MRI scan in the same location where they receive physician services. Applicant's patients do not have to schedule with a third-party provider and do not have to travel to another location. Applicant's patients can receive an MRI scan the same day that it is ordered, and hence receive medical diagnosis and treatment more rapidly than if they were required to go out-of-office for the scan. Ease of access, prompt scheduling, and rapid intervention all contribute to healthy lives.

Principle No. 2: Access to Care: Applicant has provided physician office MRI services to its patients since 2004. Applicant seeks only to relocate the existing CON and to upgrade the MRI scanner. Applicant does not seek to add MRI services to the county. Applicant is an orthopedic surgery practice whose patients have physical injuries/conditions for which MRI is medically indicated. Many of Applicant's patients have mobility limitations due to the nature of their physical injury or condition, and they may have great difficulty getting in and out of a passenger vehicle and ambulating distances to a diagnostic center. Applicant's ability to continue to provide in-office MRI services to its patients will enable Applicant's patients to continue to have convenient access to MRI services in the same location where they receive physician services. Similarly, the upgrade of Applicant's MRI unit provides Applicant's patients with access to a higher standard of care because the new MRI unit is the newest technology and can accommodate patients who cannot be accommodated with the current 2011 scanner.

Principle No. 3: Economic Efficiencies: The relocation and upgrade of Applicant's MRI will allow Applicant's patients to continue to receive MRI scans in the same location that they come for office visits. Based on 2014 charge data reported in the MRI Utilization Report, as of 8/10/15, published by the Health Services and Development Agency, Applicant's average gross charge per MRI of \$1,529.76 is the lowest of any other MRI provider in Wilson County.

Principle No. 4: Quality of Care: Applicant's request to relocate and upgrade its MRI unit will enable Applicant to continue to provide MRI services to its patients. The upgraded MRI unit is state-of-the-art, and includes a 70 cm wide bore that will accommodate patients up to 500 pounds. This will be the only 70 cm wide bore unit in Applicant's geographic service area. Applicant's patients with physical limitations who previously

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had to travel outside of the service area for an MRI will now be able to remain in Wilson County for their MRI.

Principle No. 5: Healthcare Workforce: Wilson County is designated by the U.S. Department of Health and Human Services, Health Resources and Administration Agency, as a medically underserved area. Relocating and upgrading Applicant's existing MRI will enable Wilson County residents who are Applicant's patients to continue to receive sophisticated MRI imaging in Wilson County. Applicant's patients will not have to travel out-of-county to receive imaging services. Further, the 70 cm wide bore of the upgraded Optima MRI will provide enhanced imaging quality and capabilities not currently available in Wilson County. Furthermore, Applicant is presently engaged in the recruitment of board certified or board eligible orthopedic surgeons to join Applicant's orthopedic surgery practice. One recruit has executed an agreement to commence employment September 1, 2016. Applicant anticipates contracting with another highly qualified orthopedic surgeon to commence employment by June 2017. The addition of two physician providers will necessarily result in the recruitment of additional non-physician practitioners to support Applicant's practice in Wilson County, Tennessee. The addition of new physician and non-physician staff will improve the health care access for residents of applicant's five-county service area.

October 26, 2015**3:47 pm****5. Section C. (Need) Item 4 (Population Demographics)**

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

RESPONSE:

Variable	Wilson	Sumner	Macon	Smith	Trousdale	Service Area	Tennessee
Current Year (CY), Age 65+*	17,944	25,164	3,647	3,018	1,233	51,006	981,984
Projected Year (PY), Age 65+*	21,745	29,697	4,132	3,398	1,399	60,371	1,102,413
Age 65+, % Change	21.2%	18.0%	13.3%	12.6%	13.5%	18.4%	12.3%
Age 65+, % Total (PY)	16.3%	16.2%	17.1%	16.8%	16.3%	16.3%	16.1%
CY, Total Population*	124,073	172,262	23,188	19,618	8,167	347,308	6,588,698
PY, Total Population*	133,357	183,406	24,121	20,281	8,582	369,747	6,833,509
Total Pop. % Change	7.5%	6.5%	4.0%	3.4%	5.1%	6.4%	3.7%
TennCare Enrollees**	14,604	23,117	5,722	3,818	1,652	48,913	1,220,364
TennCare Enrollees as a % of Total Population	12.3%	13.9%	25.4%	20.0%	21.2%	14.0%	19.0%
Median Age***	39.5	39.1	38.9	40.7	37.8	39.2	38.6
Median Household Income***	\$60,390	\$55,509	\$35,306	\$42,383	\$44,298	\$47,577	\$44,361
Population % Below Poverty Level***	10.2%	10.4%	21.2%	19.4%	17.6%	11.1%	18.3%

Sources:

*Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Statistics, Population Estimate 2014 (CY) and Population Estimate 2018 (PY).

**Tennessee Division of Health Care Finance & Administration, TennCare Fiscal Year 2011-2012 Annual Report

***Tennessee QuickFacts from the U.S. Census Bureau, <http://quickfacts.census.gov/qfd/states>

October 26, 2015**3:47 pm****6. Section C. (Need) Item 5**

The MRI 3 year trend utilization chart for Wilson County on page 17 is noted. Please revise and include Macon, Smith, Sumner, and Trousdale Counties.

RESPONSE: The MRI Utilization Report, dated as of August 10, 2015 and published by the Tennessee Health Services and Development Agency, shows the following 2012-2014 utilization for the MRI units located in Applicant's geographic service area. The data depicted below includes patients originating from within and outside of Tennessee:

WILSON COUNTY

MRI Provider	Distance from Applicant	Facility Type	2012 Total MRI Procedures	2013 Total MRI Procedures	2014 Total MRI Procedures	% Change '12-'14
Tennessee Orthopedics (Applicant)	N/A	PO	1197	1196	909	-24.06%
Premier Radiology-Mt. Juliet	11.69 mi.	ODC	2559	2562	3191	24.7%
Tennessee Sports Medicine	4.01 mi.	PO	1125	1801	1501	33.42%
University Med. Ctr.	3.80 mi.	HOSP	3000	2213	2472	-17.6%

SMITH COUNTY

MRI Provider	Distance from Applicant	Facility Type	2012 Total MRI Procedures	2013 Total MRI Procedures	2014 Total MRI Procedures	% Change '12-'14
Riverview Med. Ctr.	29.5 mi.	HOSP	619	613	669	8.08%

MACON COUNTY

MRI Provider	Distance from Applicant	Facility Type	2012 Total MRI Procedures	2013 Total MRI Procedures	2014 Total MRI Procedures	% Change '12-'14
Macon Co. Gen. Hosp.	37.6 mi.	HOSP	793	480	542	-31.65%

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MRI Provider	Distance from Applicant	Facility Type	2012 Total MRI Procedures	2013 Total MRI Procedures	2014 Total MRI Procedures	% Change '12-'14
Diagnostic Ctr. at Sumner Station	20.4 mi.	H-Imaging	1707	1948	2106	23.37%
Outpatient Imaging Ctr. at Hendersonville Med. Ctr.	31.4 mi.	HODC	2116	1670	1669	-21.12%
Portland Diagnostic Ctr.	33.8 mi.	H-Imaging	247	289	312	26.32%
Southern Sports Med. Inst., PLLC	20.4 mi.	PO	720	723	638	-11.39%
Sumner Reg. Med. Ctr.	20.4 mi.	HOSP	2591	3064	3046	17.56%
TriStar Hendersonville Med. Ctr.	31.6 mi.	HOSP	2367	2565	2741	15.80%

TROUSDALE COUNTY – Not Applicable (N/A) – No MRI

October 26, 2015**3:47 pm****7. Section C. (Economic Feasibility) Item 1 (Project Cost Chart)**

- It is noted the applicant will finance the proposed project with cash reserves. The Tennessee Orthopedics, PC unaudited balance sheet ending August 31, 2015 indicates total current assets of \$747.22. ***Please clarify the amount of the proposed project that will be financed through cash reserves.*** If that amount is over \$747.22, please document other cash reserves to finance the proposed project.

RESPONSE:

Please see letter from Applicant's financial representative for this CON project, Anne Thompson of Ancillary Healthcare Consulting, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-A.

Please see also (1) Applicant's financial statements for month-ending 9/30/15, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-B; (2) Applicant's Accounts Receivable Aging Analysis as of 9/30/15, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-C; and (3) a letter from Pinnacle Bank confirming an existing commercial line of credit available to Applicant, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-D.

(Attachments 10-B through 10-D are duplicated in the exhibits to the Financial Representative letter attached as 10-A.)

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7. Section C. (Economic Feasibility) Item 1 (Project Cost Chart) – CONTINUED

- As requested in the application, please provide documentation from the applicant's financial representative the availability of cash reserves to finance the proposed project.

RESPONSE:

Please see response to the immediately preceding question. Please see also Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-A.

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7. Section C. (Economic Feasibility) Item 1 (Project Cost Chart) – CONTINUED

- Please provide documentation from a financial institution of the availability of a \$250,000 commercial line of credit.

RESPONSE:

Please see letter from Pinnacle Bank confirming an existing commercial line of credit in the amount of \$250,000 available to Applicant, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-D. As of the date of this supplemental filing, the available balance is \$135,652.82.

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7. Section C. (Economic Feasibility) Item 1 (Project Cost Chart) – CONTINUED

• Please provide the following documentation from a licensed construction industry professional (i.e., architect, builder, or engineer):

A) a description of the project,

B) his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal state and local construction codes, standards, specifications, and requirements and

C) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements.

RESPONSE:

Supp. Attachment, Section C - General Criteria for Certificate of Need - Economic Feasibility - Item # 1 is a letter from David K. Pine, P.E., sole member of Evergreen Constructors, LLC, attesting to the matters listed above.

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8. Section C, Economic Feasibility, Item 4. (Historical and Projected Data Charts)

In both the historical and Projected Data Charts please complete the following and resubmit:

- Under A. Utilization Data, the number of MRI procedures.
- The amount of Contractual adjustments, Provision for Charity Care, and Provisions for Bad Debt.
- If there are no capital expenditures, please place a zero in the Total Capital Expenditures columns.

RESPONSE:

The revised Historical and Projected Data Charts are attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need – Economic Feasibility – Item # 4 (Revised Historical and Projected Data Charts).

October 26, 2015**3:47 pm****9. Section C, Economic Feasibility, Item 8**

Review of the Historical Data Chart and Applicant's Combined Financial Statements provided for question 10 of the Economic Feasibility section revealed unfavorable Net Operating Income (-\$110,907) and Current Ratio for 2014. Based on this performance, please comment on the applicant's ability to financially support the proposed MRI service should it perform below projected volumes and margins.

RESPONSE:

Please see letter from Applicant's financial representative for this CON project, Anne Thompson of Ancillary Healthcare Consulting, attached hereto as Supp. Attachment, Section C – General Criteria for Certificate of Need - Economic Feasibility – Item # 10-A.

As set forth in the financial representative's letter, the current ratio as of 9/30/15 is 29,245.

In addition, as disclosed in response to the question in Section C-General Criteria for Certificate of Need-Item #5 of the original application, Applicant's medical practice underwent a reorganization in late 2013 that resulted in four of six ordering providers leaving the practice. This two-thirds decrease in the number of ordering providers had a corresponding decrease in MRI utilization and revenues. Also as disclosed in the original application, Applicant is expanding the practice and has contracted with an orthopedic surgeon to join the practice in September 2016. Applicant expects to add a second orthopedic surgeon in 2017 along with additional non-physician practitioners to support the new physicians. With the expansion of physicians employed with the practice, patient census and MRI utilization will increase. In the unlikely event that the MRI service does not perform as projected volumes and margins, Applicant has the present ability to financially support the temporary losses with the Pinnacle Bank commercial line of credit or by decreasing and/or deferring shareholder distributions.

10. Section C, Economic Feasibility, Item 9

The MRI gross revenue of \$1,633,500 differs from the gross amounts in Year One (\$2,589,891) and Year Two (\$3,923,846) in the Projected Data Chart. Please show the percentages by payor in Year 1 of the project by completing the table below using the gross amount for Year One in the Projected Data Chart.

MRI Service Payor Mix, Year 1

Payor Source	Payer Mix Percentage	Year 1 Gross Revenue (as a % of total)	Average Gross Charge per MRI procedure
Medicare	18%	\$466,180.38	\$1,529.76
TennCare	25%	\$647,472.75	\$1,529.76
Managed care	49%	\$1,269,046.59	\$1,529.76
Commercial	5%	\$129,494.55	\$1,529.76
Self-Pay	1%	\$25,898.91	\$1,529.76
Other	2%	\$51,797.82	\$1,529.76
Total	100%	\$2,589,891.00	

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11. Proof of Publication

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

RESPONSE:

The original full page of the October 2, 2015 Wilson Post Classified Section A14, in which the Notification of Intent to Apply for a Certificate of Need, was published is attached hereto as Supp. Attachment, Proof of Publication.

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12. Project Completion Forecast Chart

Please enter the Projected Initial Decision Date and the Projected Final Project Report Form Date and resubmit.

RESPONSE:

The revised Project Completion Forecast Chart is attached hereto as Supp. Attachment, Project Completion Forecast Chart.

**END RESPONSE TO SUPPLEMENTAL REQUEST FOR INFORMATION; ATTACHMENTS
IMMEDIATELY FOLLOW**

SUPPLEMENTAL #1

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SUPPLEMENTAL ATTACHMENT

SECTION A – APPLICANT PROFILE – ITEM # 6

(Revised PMOB Lease Agreement)

LEASE AGREEMENT SUMMARY PAGE**October 26, 2015****3:47 pm**

Effective Date of Lease: February 1, 2016

Landlord: Phoenix Medical Office Building, LLC

Building Name: Phoenix Medical Office Building, LLC
Address: 101 Physicians Way
Lebanon, TN 37090Landlord Address: 100 Physicians Way, Ste. 100
Lebanon, TN 37090Tenant: Tennessee Orthopedics, PC (MRI)
Leased Premises: PMOB, Suite No. 200Address for Remitting Rent Payments:
101 Physicians Way, Ste. 100
Lebanon, TN 37090

Lease Commencement Date: February 1, 2016

Lease Termination Date: February 1, 2024

Security Deposit Paid: N/A

Annual Rent Increase: [3%]

Number of Rentable Square Feet: 1,396

Number of Useable Square Feet: 1,396

Tenant's Pro Rata Share of Rentable Building Square
Footage: 6%

Monthly Rent Amortization Schedule: As set forth on Exhibit A

Additional Rent: Water, electricity, sewer, ventilation, gas, propane, heat, air conditioning, insurance, property taxes, maintenance and janitorial services for the Building common areas ("CAM") will be charged to Tenant as Additional Rent in proportion to Tenant's Pro Rata Share of Rentable Building Square Footage. This amount shall be determined each year and written notice of the monthly amortization of Additional Rent to be paid shall be provided to Tenant on or before the commencement of a new Lease Year. The cost of MRI suite build-out and MRI shielding will also be charged to Tenant as Additional Rent.

Expenses Paid Directly by Tenant:
(CHECK ALL THAT APPLY)

- ☒ Separately metered utilities for the Leased Premises: utilities, heat and air, water
☒ Communications services, to include telephone, Internet, cable and other communications services used in the Leased Premises
☒ Maintenance services to keep and maintain the interior of the Leased Premises in good condition, repair and working order, to include without limitation, fixtures, doors, interior walls, flooring, and appurtenances
☒ Janitorial services

Leasehold Improvement Allowance: \$ XX.XX per Useable Square Foot

Improvements:

Leasehold improvement allowance:

A. First Time Standard Build-Out ☐ B. Existing Space (New Tenant or Renewal) ☒ C. Landlord to Build Out Space (Ex. A)

The parties hereby enter into this Lease Agreement (as defined below) by and between Phoenix Medical Office Building, LLC ("Landlord") and Tennessee Orthopedics, PC ("Tenant"), effective as of the Effective Date. This Lease Agreement shall replace any and all former lease agreements between the parties, and any such former lease agreements shall be hereby terminated with no further force and effect as of 11:59 PM on the day immediately preceding the Lease Commencement Date.

This Lease Agreement is comprised of the following documents, each of which shall be attached hereto and fully incorporated into the Lease Agreement as if fully set forth therein:

(CHECK ALL THAT APPLY)

- ☒ Lease Agreement Summary Page
☒ Lease Agreement Terms and Conditions
☒ Exhibit A - Monthly Rent Amortization Schedule
☒ Exhibit B - Building Rules and Regulations
☒ Exhibit C - Landlord Build-Out Specifications
☒ Exhibit D - Description of Leased Premises

Signatures:

TENANT:

By: _____

Name: _____

Title: _____

LANDLORD:

By: _____

Name: _____

Title: _____

October 26, 2015**3:47 pm****LEASE AGREEMENT TERMS AND CONDITIONS**

This Lease Agreement ("Lease"), effective as of the February 1, 2016, is by and between Landlord, a Tennessee limited liability company with its principal place of business at 101 Physicians Way, Suite 100, Lebanon, Tennessee 37090, and Tenant, a professional corporation company with its principal place of business at 101 Physicians Way, Suite 200, Lebanon, Tennessee 37090.

WHEREAS, Landlord owns the Phoenix Medical Office Building located at 101 Physicians Way, Lebanon, TN 37090 ("Building"), and leases office space in the Building to commercial enterprises as approved by Landlord to lease space in the Building.

WHEREAS, the Building is subject to restrictive covenants adopted by the Franklin-South Hartmann Property Owners Association, Inc. property owners association ("Covenants") that govern, in pertinent part, the types of commercial enterprises permitted to lease space in the Building.

WHEREAS, Landlord has established certain financial, commercial and other criteria for commercial enterprises wishing to lease office space in the Building ("Landlord Criteria"), and all such enterprises are subject to the Covenants and the Landlord Criteria.

WHEREAS, Tenant desires to lease office space in the Building and, based upon information provided by Tenant to Landlord, has been determined by Landlord to satisfy the Covenants and the Landlord Criteria.

WHEREAS, and Landlord and Tenant wish to enter into this Lease Agreement on the terms and conditions more particularly set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and the following terms and conditions, the sufficiency of which are hereby acknowledged, the parties (defined herein as "Landlord" and "Tenant") covenant and agree as follows:

I. CAPITALIZED TERMS. Unless otherwise defined herein or in any Exhibit to this Lease Agreement, the capitalized terms defined herein shall have the same meaning ascribed to such terms in the Lease Agreement Summary Page.

II. LEASED PREMISES; AGREEMENT TO LEASE. Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, on a full-time basis, the Leased Premises for the Term hereinafter defined.

III. ASSIGNMENT; SUBLETTING. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion, sublease, license or assign all or any portion of its interest under this Lease to any other person or entity. Assignment or subletting without the prior consent of Landlord, including assignment by operation of the law, shall constitute an event of default. In no event, whether with or without consent of Landlord, shall a sublease, license or assignment of this Lease relieve Tenant of liability under the terms and conditions of this Lease. Any assignment or sublease shall be subject to the Legal Compliance provisions in Section XXI of this Agreement, and Tenant shall provide Landlord with a written and signed opinion of legal counsel setting forth that the assignment or sublease, as applicable, complies with any Fraud and Abuse Laws as defined in Section XXI. In no event may Tenant assign or sublease all of any portion of the Leased Premises at a rent that is greater than the Rent paid by Tenant hereunder. Any assignment and sublease agreements entered into pursuant to this Section are subject to the review and written approval of Landlord.

IV. RENT. In consideration of this Lease, Tenant shall pay to Landlord, on or before the first day of each calendar month ("Due Date") on and after the Commencement Date and continuing through the Term hereof, the amount of (i) Base Rent and (ii) Additional Rent as shown on the Lease Agreement Summary Page, together with any other amounts as are due and payable under this lease (Base Rent, Additional Rent and such other additional amounts collectively referred to herein as "Rent"); provided however, that in the event the Commencement date is any day other than the first day of a calendar month, then upon the Commencement Date, Tenant shall pay to Landlord a pro rata portion of the Rent for that portion of the calendar month remaining from the Commencement Date to the first day of the next calendar month.

A. During the Initial Term, the amount of the Rent shall be increased at the commencement of each Lease Year (hereinafter defined) following the first Lease Year, by the percentage amount set forth in the Lease Agreement Summary Page and as more particularly set forth in the Monthly Rent Amortization Schedule set forth therein. It is expressly understood and agreed that Landlord shall apply all Rent paid by Tenant hereunder first to the amounts due from Tenant which have been outstanding for the longest period of time. The term "Lease Year" is defined as the twelve-month period commencing on the Commencement Date, and each anniversary thereof; provided however, that if the Commencement Date is any day other than the first day of a calendar month, then the Lease Year Lease Year shall be the twelve-month period commencing on the first day of the calendar month following the Commencement Date, and the first Lease Year shall include the remainder of the calendar month in which the Commencement Date occurs.

B. Tenant agrees to pay such Rent as may be owed to Landlord hereunder at the times and in the manner herein provided, without any setoff, deduction or counterclaim whatsoever except as otherwise provided in this Lease.

C. Time is of the essence in the performance of Tenant's obligations hereunder. If any Rent owed by Tenant to Landlord hereunder is not paid within ten days following the Due Date (as defined in the preamble to this Section III), Landlord may,

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in its sole discretion, impose on Tenant a late charge equal to [One Hundred Fifty and No/100 Dollars (\$150.00)] and may require Tenant to pay any amounts due hereunder through an Automatic Clearing House system or other automatic payment system as Landlord may choose in Landlord's sole discretion. Such late charge is to defray the administrative costs and inconvenience and other expenses that Landlord may incur on account of such delinquency and, if imposed by Landlord, shall become due and payable from Tenant to Landlord on the next Due Date.

V. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord a Security Deposit in the total amount set forth on the Lease Agreement Summary Page, said deposit to be paid on the date Tenant executes this Lease. The Security Deposit shall be held by Landlord without liability for interest and with the understanding that: (i) the Security Deposit or any portion thereof may be applied to the curing of any default, without prejudice to any other remedy or remedies which Landlord may have on account thereof, and upon such application, Tenant shall pay Landlord on demand the amount so applied which, when paid, shall be added to the Security Deposit so the same will be restored to its original amount; (ii) Landlord shall not be obligated to hold the Security Deposit as a separate fund, but may commingle it with other funds; and (iii) if Tenant is not in default, the remaining balance of the Security Deposit shall be returned to Tenant, without interest, within thirty days after the expiration of the Term or other termination of this Lease; provided, however, Landlord shall have the right to retain and expend such remaining balance for cleaning and repairing the Leased Premises if Tenant shall fail to deliver the Leased Premises at the termination of this Lease in a neat and clean condition and in as good a condition as existed at the date of possession of same by Tenant, except for ordinary wear and tear. Landlord shall have the right to use the Security Deposit to offset any increase in the Monthly Rent, Additional Rent or other amounts due from tenant hereunder which is either not collected by Landlord or not paid by Tenant pursuant to the terms of this Lease.

VI. **LANDLORD OBLIGATIONS.**

A. **Common Areas.** Landlord shall provide for and pay the following expenses attributable to the Building common areas, and shall charge such expenses to Tenant as Additional Rent in proportion to Tenant's Pro Rata Share of Rentable Building Square Footage, as more particularly set forth in the Lease Agreement Summary Page: Water, electricity, sewer, ventilation, gas, propane, heat, air conditioning, maintenance and janitorial services.

B. **Structural Maintenance.** In addition to the foregoing maintenance obligations, Landlord shall maintain, repair and replace all exterior walls and other features of the Building exterior, including but not limited to, the roof and all mechanical systems, air conditioning, heating, plumbing, wiring and piping.

C. **Insurance.** Landlord shall maintain fire and extended coverage insurance on the Building in which the Leased Premises are located in an amount not less than the full replacement cost of the Building; provided that Tenant shall be responsible for providing insurance on Tenant's furnishings, fixtures, medical equipment and supplies, office supplies, records and other personal property ("Personal Property") as set forth in Section VIII.

D. **Taxes.** Landlord shall be responsible for payment of all real estate taxes assessed against the Building or the property upon which the Building is sited, including any applicable local, state and federal income taxes which are or may be payable by Landlord by virtue of Landlord's ownership of the Building and/or property upon which the Building is sited.

E. **Landlord Build Out.** If subpart C under "Improvements" on the Lease Agreement Summary Page has been checked, Landlord shall be responsible for building out the Leased Premises as further described on Exhibit C, attached hereto and incorporated herein by reference. All such build out shall be conducted by Evergreen Constructors, LLC or such other builder as Landlord provides advance written approval.

F. **Quiet Enjoyment.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the Term.

VII. **TENANT OBLIGATIONS.**

A. **Use of Leased Premises.** Tenant shall use the Leased Premises for the purpose of [Orthopedic Practice] and for business purposes reasonably ancillary thereto, and for no other purpose. Tenant and its employees and agents providing services in the Leased Premises shall use and operate the Leased Premises only in accordance with all federal, state, county and local laws, regulations, ordinances and orders ("Laws") applicable to Tenant's business as described herein. In no event shall the Leased Premises or any part thereof be used for any purpose, nor shall any activity be conducted in the Leased Premises, that (i) is deemed by Landlord or its insurer to be extra-hazardous on account of fire risk, (ii) may reasonably cause a cancellation of any insurance policy covering the Building, or (iii) creates a nuisance; all in such determinations to be made in Landlord's sole discretion. Tenant will conduct its business, and control its agents, employees, and invitees in such a manner so as to not create any nuisance or interfere with, annoy or disturb other tenants or Landlord in the use, operation and management of the Building.

B. **Certificate of Occupancy; Fire Inspection.** Before taking occupancy of the Leased Premises, Tenant shall have obtained, and provided to Landlord, a certificate of occupancy, fire inspection, and any other approval of the city and/or county building code enforcement agencies. Any such certificates, fire inspections or other documentation required by this section shall be subject to Landlord's acceptance, which shall be in Landlord's sole reasonable discretion.

C. **Delivery of Leased Premises at Lease Termination.** Tenant shall deliver to Landlord, on or before the date that this Lease shall terminate, physical possession of the Leased Premises in good condition, reasonable wear and tear and damage by fire or other casualty excepted.

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D. **Taxes.** Tenant shall pay directly to the taxing agencies any ad valorem or other property taxes, personal and intangible taxes payable in connection with the use, occupancy or conduct of business on any part of the Leased Premises, including but not limited to personal property, business, privilege, license, excise, sales, use and occupation taxes (but excluding taxes payable by Landlord). Tenant shall be responsible for all taxes assessed against their stock and inventory, tangible personal property or their business and/or business operations.

E. **Operating and Maintenance Expenses.** Tenant shall contract directly with, and shall pay directly, service providers necessary to provide separately metered utilities, communications services, maintenance services, and janitorial services as more particularly set forth in the Lease Agreement Summary Page.

F. **Improvements.** Tenant shall not make any structural changes, alterations, additions or improvements to the Leased Premises without the prior written consent of Landlord. Except as otherwise provided in Section VI herein, Landlord shall have no obligation to make or to pay for improvements to the Leased Premises, nor shall Landlord have any obligation or liability arising from improvements made by Tenant either with or without Landlord's consent.

G. **Medical and Pharmaceutical Waste; Hazardous Substances.** Tenant, at Tenant's sole cost and expense, shall be responsible for the management and removal of any medical and pharmaceutical waste ("Waste") or Hazardous Substances (as hereinafter defined) within and from the Leased Premises in accordance with all applicable Laws. Tenant shall not permit the mixing or disposal of any Waste or Hazardous Substances with general office waste, and Landlord shall have no duty or obligation to remove any such Waste or Hazardous Substances from the Leased Premises. Without limiting the generality of the foregoing, Tenant shall comply strictly and in all respects with the requirements of all laws applicable to Waste and Hazardous Substances, and shall indemnify Landlord and hold Landlord harmless from and against any liabilities, costs or expenses that may arise on account of the release, discharge, storage, disposal, treatment, processing or other handling or discovery of any such Waste or Hazardous Substance. As used herein, "Hazardous Substance" means any substance, material or matter that may give rise to liability under any Hazardous Waste Laws, including (but not limited to) medical waste and petroleum products or petroleum wastes. "Hazardous Waste Laws" shall mean any local, state or federal laws, rules, ordinances, regulations, and policy and guidance statements by any environmental agencies, either in existence as of the date hereof, or enacted, promulgated or issued after the date of this Lease, that concern the management, control, discharge, treatment, containment or removal of substances or materials that are or may become a threat to public health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and the Resource Conservation and Recovery Act ("RCRA").

H. **Security.** Tenant may install a security system for the Leased Premises only upon Landlord's prior written approval, which shall be at Landlord's sole discretion and upon terms and conditions solely determined by Landlord. Tenant may not provide access to the Building or Leased Premises to any person for any purpose other than to carry out Tenant's business purpose as described in this Lease.

I. **Landlord Right of Access.** Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair, to make reasonable repairs that Landlord may be required to make hereunder, and in emergency situations; provided that if Tenant's business requires Tenant to restrict Landlord's access to the Leased Premises or any part thereof, Tenant shall be readily available, through its employees or agents who are authorized to access the restricted premises, to assist Landlord in gaining access to the Lease Premises for any of the foregoing purposes. Tenant shall provide Landlord with written notice of any such restrictions and Tenant's representatives designated to provide Landlord with the necessary access as described herein.

J. **Building Rules and Regulations.** Tenant shall comply with the Building Rules and Regulations set forth in Exhibit B, as such rules and regulations may be amended from time to time in Landlord's sole determination.

K. **[Office Park] Owners' Association Bylaws and Rules and Regulations.** Tenant shall comply with any and all bylaws, and rules and regulations, of the [Office Park] Owners, copies of which shall be provided upon Tenant's request.

VIII. **INSURANCE.** Tenant shall keep and maintain at all times during the Term the following insurance coverage on the Leased Premises.

A. **Comprehensive general liability insurance** on the Leased Premises in the sum of [\$1,000,000] per occurrence and [\$2,000,000] annual aggregate insuring against liability for bodily injury and death.

B. **Property damage insurance** in the amount of [\$500,000] per occurrence insuring against liability for damage to property arising out of the maintenance or use of the Leased Premises.

C. **Casualty insurance** insuring Tenant against loss or damage to Tenant's Personal Property caused by fire and all other casualties usually covered under an "all risk" policy of casualty insurance.

D. **In addition to the foregoing,** Tenant shall maintain such additional insurance policies as are commercially reasonable for Tenant's business operations, and in such amounts as are commercially reasonable to insure Tenant against losses.

E. **The policies set forth herein shall name Landlord as an additional insured.** Each year upon the renewal of all policies required hereunder, Tenant shall furnish Landlord with a certificate of coverage listing Landlord as an additional insured and obligating the insurer to provide Landlord with thirty days' advance written notice of cancellation, termination, or other material change in the insurance policy.

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F. Tenant shall not do or permit any act which will increase premiums for any general liability, property, casualty, or other insurance maintained by Landlord on the Building or any other property therein or which shall render such insurance void or voidable.

IX. TERM; RENEWAL; HOLDOVER TENANCY.

A. The term of this Agreement shall commence at 12:00 A.M. on the Commencement Date, and shall terminate at 11:59 P.M. on the Lease Termination Date ("Initial Term") or at the expiration of any Renewal Term as defined in sub-section (B) herein ("Term"). Any and all extensions of the Term must be made by written amendment duly executed by Landlord and Tenant. At the termination of this Lease or any amendment thereto, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any Personal Property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal.

B. Provided that this Lease is in full force and effect and Tenant and any sub-tenant are not in default hereunder, Tenant and any sub-tenant shall have the option to renew this Lease for two (2) successive additional terms of one (1) year each ("Renewal Term"), and under the same terms, conditions, and provisions herein for the initial Term, except for the amount of Rent. The renewal options to be effective must be exercised by Tenant and/or any sub-tenant by written notice to Landlord in the form and manner provided in Section XXV(B) no less than six (6) months prior to the commencement of the. The amount of Rent to be paid under any such Renewal Term shall be at the then-current fair market value of the Leased Premises as determined by a qualified medical office building valuation consultant designated and engaged by Landlord.

C. In the event of holding over by Tenant after the expiration of the Term or any extension thereof, the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent amount set forth in the Lease Agreement Summary Page ("Holdover Rent"), and the Lease shall be automatically extended for successive terms of one (1) year each ("Holdover Term"); provided that during any Holdover Term, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety days prior to the desired expiration date. During a Holdover Term, Tenant shall pay, in the manner as set forth in Section III herein, the Holdover Rent, the Additional Rent, and all other amounts due to Landlord hereunder.

X. **DEFAULT; TERMINATION.** Tenant shall be in default of the terms of this Lease if (i) Tenant shall fail to make a payment of Rent under this Lease when due, and such Rent is not paid within ten days following receipt of written notice by Landlord to Tenant of delinquency; provided, that Landlord shall not be obligated to send more than two such notices during any twelve month period, (ii) Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty days following receipt of written notice by Landlord to Tenant of such default, (iii) any petition shall be filed by or against Tenant pursuant to any section or chapter of the Bankruptcy Code of the United States, as amended (the "Bankruptcy Code") or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed under any section or chapter of the Bankruptcy Code or under any similar law or statute of the United States or any state thereof; (iv) Tenant shall become insolvent or make a transfer in favor of creditors; (v) Tenant shall make a general assignment for the benefit of its creditors; (vi) a receiver or trustee shall be appointed for Tenant or any of the assets of Tenant, or (vii) Tenant vacates the Leased Premises for more than thirty days or abandons the Leased Premises. In the event of default by Tenant for any of the foregoing reasons:

A. Upon default by Tenant, Landlord may, at Landlord's sole discretion, continue this Lease in full force and effect and shall have the right to collect Rent due and payable to Landlord under this Lease when such amounts are due, or (ii) terminate this Lease upon [120] days prior written notice to Tenant. During such period of continuation that Tenant is in default, Landlord may enter the Leased Premises with legal process and relet the Leased Premises or any part thereof to third parties for Tenant's account. Tenant shall be liable for all reasonable costs incurred by Landlord for entering and reletting the Leased Premises, including without limitation, legal fees (including attorneys' fees), broker's fees and commissions, expenses associated with repairing and/or remodeling the Leased Premises in order to return the Leased Premises to the same condition as when it was received by Tenant from Landlord, and similar costs. Reletting of the Leased Premises may be done for a period shorter or longer than the remaining term of this Lease, and during any period that the Leased Premises is relet, Tenant shall pay to Landlord all amounts due under this Lease on the date such amounts are due, less the amount Landlord receives from any reletting. Landlord shall use commercially reasonable efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total Rent owed under this Lease for the remainder of the Term.

B. Upon default by Tenant, Landlord may, in lieu of continuing the Lease as set forth in subsection (A) herein, and in Landlord's sole discretion, terminate this Lease upon [30] days prior written notice to Tenant. Upon such termination, Landlord shall have the right to collect an amount equal to all expenses, if any (including reasonable attorneys' fees), incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated or abandoned by Tenant.

C. During any period of default hereunder, Landlord may enter upon the Leased Premises and change, alter, or modify the door locks on all entry doors of the Leased Premises, and permanently or temporarily exclude Tenant, and its agents, employees, representatives and invitees, from the Leased Premises, but only to the extent permitted by, and subject to the requirements of, applicable law in effect at the time of the event of default.

D. Should any of these remedies or any portion thereof not be permitted by the laws of the state where the Building is located, then such remedy or portion thereof shall be considered deleted and unenforceable, and the remaining remedies or

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portions thereof shall be and remain in full force and effect, and Landlord may avail itself of these as well as any other remedies or damages allowed by law.

E. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity. Any entry by Landlord upon the Leased Premises may be by use of a master or duplicate key or electronic pass card or any locksmith's entry procedure or other peaceable means. No entry or taking possession of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant. In the event Landlord institutes suit against Tenant to collect any amount owed to Landlord pursuant to this Lease, Landlord shall have the right to allow such amounts to accumulate and to bring an action upon several or all of such deficiencies at one time. Any suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained herein shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants of this Lease. Forbearance by Landlord to enforce one or more of the remedies provided herein upon the occurrence of an event of default shall not be deemed or construed to constitute a waiver of any other violation or event of default.

XI. **DAMAGE OR DESTRUCTION.** If the Leased Premises shall be damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any Personal Property owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty days after the occurrence of such damage. Landlord shall notify Tenant within fifteen days of the event of casualty of its determination. Until such repairs are completed, the Monthly Rent, Additional Rent and other amounts due from Tenant under this Lease shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement if the Leased Premises are rendered unusable for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty days and Landlord nonetheless chooses to repair the Leased Premises, then Tenant may, at its option, continue as Tenant under this Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate this Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate this Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

XII. **EMINENT DOMAIN.** If the whole of the Leased Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, this Lease shall automatically terminate as of the effective date of the taking. In the event of a partial taking which does not result in a termination of this Lease, the Monthly Rent, Additional Rent and other amounts due from Tenant hereunder shall remain unaffected. Landlord may, without any obligation or liability to Tenant, stipulate with any condemning authority for a judgment of condemnation without the necessity of a formal suit or judgment of condemnation, and the date of taking under this clause shall then be deemed the date agreed to under the terms of said agreement for stipulation and this Lease shall terminate as of the stipulated date.

XIII. **SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.**

A. Tenant agrees that this Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant shall, upon the request of any party in interest, promptly execute such instruments or certificates as may be reasonably required to carry out the intent of this provision.

B. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any mortgage covering the Leased Premises or the Building, or in the event of termination of any lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease. Tenant agrees to execute any attornment agreement not in conflict with this provision as may be reasonably required to carry out the intent of this provision.

C. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of Monthly Rent, Additional Rent or any other amount due from Tenant pursuant to this Lease, and is not in default of the performance of any other terms, covenants or conditions of this Lease, mortgagee or such person shall not disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of this Lease notwithstanding any event or proceedings described in this section.

XIV. **ESTOPPEL CERTIFICATE.** Within thirty days after written request from Landlord, Tenant shall deliver an executed statement addressed to Landlord certifying (if such be the case) that this Lease is in full force and effect, that Tenant has commenced the payment of Monthly Rent and the Additional Rent, and that there are no defenses or offsets to this Lease claimed by Tenant, as well as any other information reasonably requested. If Tenant fails or refuses to give a certificate hereunder within the required time frame, then the information on such certificate as submitted by Landlord shall be deemed correct for all purposes and Landlord shall have the right to treat such failure or refusal as a default by Tenant.

XV. **DAMAGE TO PROPERTY/INJURY TO PERSON.** Tenant shall and hereby does indemnify and hold Landlord harmless from and against any and all claims to the extent they arise from (i) Tenant's use of the Leased Premises or the conduct of its business, (ii) any activity, work or thing done, permitted or suffered by the Tenant in or about the Leased Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, and (iv) any act of

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negligence or intentional misconduct of Tenant or its agents or employees.

XVI. **LIMITATION OF LANDLORD LIABILITY.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Building and the land upon which the Building is sited, and Landlord shall not be personally liable for any deficiency. Notwithstanding anything to the contrary contained in this Lease, in the event Landlord sells, assigns, transfers or conveys its interest in such land, Landlord shall have no liability for any acts or omissions that occur after the date of said sale, assignment, transfer or conveyance, provided that any such grantee, assignee or transferee assumes all of Landlord's obligations under this Lease.

XVII. **MECHANICS' LIENS.** Nothing contained in this Lease shall authorize Tenant to do any act which shall in any way encumber the title of Landlord in and to the Leased Premises or the Building or any part thereof; and if any mechanic's or materialman's lien is filed or claimed against the Leased Premises or Building or any part thereof in connection with any work performed, materials furnished or obligation incurred by or at the request of Tenant, Tenant will promptly either (i) pay same and cause it to be released of record or (ii) contest same in good faith and, if it has not been removed within thirty days, bond around it. If the lien is not released of record (or bonded around) and default in payment thereof shall continue for thirty days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as the validity thereof, and any amounts so paid, including expenses and interest, shall be repaid to Landlord immediately by Tenant on demand therefor.

XVIII. **ABANDONED PROPERTY.** All Personal Property of Tenant remaining in the Leased Premises after the expiration or earlier termination of the Term may be treated by Landlord as having been abandoned by Tenant, and Landlord shall have the right to remove such personal property from the Leased Premises without any obligation to deliver such personal property to Tenant and without any liability to Tenant whatsoever, it being agreed that Tenant shall have no right to reclaim such property. Provided, however, that in no event whatsoever shall Landlord have any access or rights to the confidential and proprietary information of Tenant, including without limitation, protected health information (as defined in Section XXI(E) herein), or other property that Landlord is precluded by applicable law from accessing and/or taking possession. Landlord shall have no duty to notify Tenant that Landlord may dispose of Tenant's property, except as may be required by applicable law governing items that Landlord is legally precluded from accessing and/or taking possession.

XIX. **TRANSFER OF LANDLORD'S RIGHTS.** In the event Landlord transfers its interest in the Building, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of the Landlord for the performance of such obligations, provided however, that any assignee or transferee of Landlord shall assume by written agreement all of Landlord's obligation under this Lease.

XX. **REMEASUREMENT.** The Leased Premises shall be subject to remeasurement as set forth in sub-sections A and B below. Any such remeasurement shall be substantially in accordance with the BOMA Standard, as defined in sub-section D below.

A. Landlord shall, at Landlord's cost and expense, remeasure the Leased Premises prior to Tenant taking occupancy thereof, but after the construction of the Building is complete.

B. Tenant or Landlord, at such party's own cost and expense, shall have the right to remeasure the Leased Premises and the Building from time to time (but not more than once per year) to reflect actual physical increases or decreases due to physical expansions or contractions in the rentable area of the Building.

C. In the event such remeasurement reveals a different square footage for the Leased Premises or the Building than as set forth in this Lease, the parties shall execute an amendment which revises the rentable square footage of the Leased Premises and the Tenant's Pro Rate Share of Rentable Building Square Footage shall be adjusted accordingly. In the event that the Tenant refuses to execute such amendment, then Landlord shall have the right to terminate this Lease upon thirty (30) days prior written notice to Tenant.

D. "BOMA Standard" shall mean the Building Owners and Managers Association International Standard Method for Measuring Floor Area in Office Building, ANSI Z65. 1-1996; provided, however, that notwithstanding the foregoing to the contrary, the BOMA Standard shall not include any area below the ground floor of the Building in which the Leased Premises is located, any areas outside the perimeter walls of such Building, any elevator shafts, or any stairwells.

XXI. **LEGAL COMPLIANCE.**

A. Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state and local law, including without limitation, the Anti-Kickback statute and the Stark Physician Anti-Referral statute (collectively, the "Fraud and Abuse Laws"), as amended. Notwithstanding any unanticipated effect of any of the provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Fraud and Abuse Laws. Without limiting the generality of the foregoing, Landlord and Tenant agree that nothing contained in this Lease shall require either party to refer any patients or goods and services to the other, or to any affiliate or subsidiary of the other.

B. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in material violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith for a period of up to ninety days to modify the terms of this Lease to comply with applicable law. Should the parties hereto fail to agree upon modified terms to this Lease within this time, either Landlord or Tenant may immediately terminate

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this Lease by giving written notice to the other party.

C. The parties represent to the other that any amounts due to Landlord from Tenant pursuant this Lease are (i) consistent with fair market value in arms-length transactions, (ii) set in advance, and (iii) not determined in a manner that takes into account the volume or value of any referrals or other business between the parties for which payment may be made in whole or in part by a federal health care program. The parties further represent that this Lease covers all of the Leased Premises rented by the parties for the Lease Term, and that the aggregate space leased hereunder does not exceed that which is reasonably necessary to accomplish the commercially reasonable business purpose of the rental.

D. Should Tenant be in a position to refer or to potentially refer business that is reimbursable by a Federal health care program to Landlord, then Landlord and Tenant agree to submit the remuneration paid under this Agreement to a medical office building valuation consultant designated and engaged by Landlord to offer an opinion as to whether the Rent and any other remuneration that may be paid hereunder is consistent with fair market value in an arms-length transaction. Landlord and Tenant agree to amend this Agreement as necessary for the Rent paid hereunder to represent such fair market value.

E. For purposes of this Section, "protected health information" or "PHI" shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 ("Privacy Standards"), as promulgated by the Department of Health and Human Services ("DHHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Tenant agrees to reasonably safeguard PHI from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its subcontractors and agents. The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined in the Privacy Standards.

F. Both as a material condition to this Lease and as a continuing representation and warranty for the duration of this Lease, each party represents that neither it nor any of its owners, officers, directors, employees, agents, or subcontractors have been suspended, excluded, or debarred from any federal health care program, as defined under 42 U.S.C. § 1320a-7b(f), for the provision of items or services for which payment may be made under such federal health care programs ("Exclusion"). Each party further represents that it shall notify the other party of any change in the foregoing representation promptly upon acquiring knowledge of any such change, and in no event more than five days after acquiring such knowledge. Either party shall have the right to immediately terminate this Lease upon learning of any Exclusion.

XXII. **BROKERAGE.** Tenant represents to Landlord that it has not had any dealings with any broker or agent in connection with the negotiation or execution of this Lease; and Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensation or charges claimed by any other broker or agent, through commitments of Tenant with respect to this Lease. In the event Landlord elects to engage a broker or agent in connection with the negotiation or execution of this Lease, Landlord shall be solely responsible to pay any commissions or fees due and payable to such broker or agent.

XXIII. **NO PARTNERSHIP RELATIONSHIP.** Notwithstanding anything to the contrary herein, neither Landlord nor Tenant shall be construed or held to be a partner or associate of the other in the conduct of their respective businesses, it being expressly understood and agreed that the relationship between the parties is and at all times shall remain that of Landlord and Tenant.

XXIV. **GUARANTY.** The Guarantor(s) identified in the Lease Agreement Summary Page hereby jointly and severally covenant and agree to and with Landlord that if default shall at any time be made by Tenant in the payment or performance of any obligations set forth herein, when due, Guarantor(s) will forthwith pay or perform such obligation on behalf of Tenant to or for the benefit of Landlord. The guaranty provisions of this Section constitute an absolute, unconditional and irrevocable guaranty of payment (and not of collection) and performance and are a surety agreement. Guarantor(s)' liability hereunder is primary and direct and may be enforced without Landlord being required to resort to any other right, remedy or security and the terms of this Section shall be enforceable against Guarantor(s) jointly and severally, without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or any other guarantor, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance, protest, dishonor or presentment of the terms hereof or of Landlord's intention to act in reliance hereon or of any other notice or demand to which Guarantor(s) might otherwise be entitled, all of which Guarantor(s) hereby expressly waive. The terms of this Section shall be a continuing guaranty, and (whether or not Guarantor(s) shall have notice or knowledge of any of the following) the liability and obligation of Guarantor(s) hereunder shall not be released, discharged or in any way impaired by (i) any amendment or modification of, or supplement to, or extension or renewal of, this Lease; (ii) any exercise or non-exercise of any right or remedy under this Lease; (iii) any bankruptcy, insolvency, reorganization, liquidation or similar proceeding relating to Tenant (including without limitation any rejection or disaffirmance of this Lease in any such proceedings); (iv) any limitation on the liability or obligation of Tenant under this Lease or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the federal bankruptcy law or any other statute or from the decision of any court; (v) any transfer by Tenant or any assignment, mortgage or pledge of its interest under this Lease; (vi) any agreement entered into between Landlord and an assignee of Tenant or any agreement entered into between Landlord and the holder of any leasehold mortgage (or between Landlord and the nominee of any such holder of a leasehold mortgage); or (vii) any other thing which might otherwise operate to

October 26, 2015**3:47 pm**

exonerate, discharge, or reduce the liability of Guarantor(s) for the payment of any sums or the performance of any other obligations becoming due from the Tenant under this Lease.

XXV. MISCELLANEOUS.

A. **Amendment.** This Lease may only be amended in a writing duly executed by both parties.

B. **Notices.** Any notice required or permitted to be given hereunder may be given by mail and shall be sufficiently given if personally served or sent by certified mail or by special or overnight courier, addressed to the Landlord or Tenant, as applicable, at the addresses specified on the Lease Agreement Summary Page.

C. **Severability.** If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction or other governmental body to be invalid, void, or unenforceable, the remainder of the provisions of such agreement or agreements shall remain in full force and effect.

D. **Waiver.** Any act by either party that may amount to a waiver of the conditions of this Lease shall in no way constitute a future-continuing waiver of such conduct.

E. **Counterparts.** This Lease may be executed in more than one counterpart.

F. **Successors.** This Lease shall inure to the benefit of, and be binding upon the parties and their respective successors and assigns.

G. **Third Party Beneficiaries.** This Lease is entered into for the sole benefit of the parties hereto. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Lease, including, without limitation, any representative of a party.

H. **Assignment.** This Lease may not be assigned by either party without the written consent of the other party, except that this Lease may be assigned to any parent, affiliate or subsidiary company of Landlord without the approval of Tenant.

I. **Force Majeure.** Neither party shall incur any liability hereunder if the performance of its obligations is prevented by acts of God, a public enemy, earthquakes, hurricanes, fires, floods, epidemics, civil insurrections, curtailment of, or failure to obtain, sufficient electrical power, strikes, or lockouts.

J. **Entire Agreement; Binding Effect.** This Lease constitutes the entire Agreement between the parties with respect to the subject matter hereof, supersede all prior representations, agreements, negotiations and understandings, and may not be amended, or any provision waived, except in writing signed by both parties. This Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators.

K. **Governing Law; Venue.** This Lease is subject to, and shall be interpreted in accordance with, the laws of the State of Tennessee. Venue for any disputes arising under this Lease shall be in the state court of Wilson County, Tennessee. In the event that a lawsuit is filed by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses, and court costs as approved by the court.

L. **WAIVER OF JURY TRIAL. LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION, ACTION, PROCEEDING OR COUNTERCLAIM BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE LEASED PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY OR ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE.**

M. **Legal Fees.** In the event a lawsuit is filed by either party against the other for breach or default under the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses, and court costs as approved by the court.

N. **Captions and Headings.** All captions and headings are solely for convenience of reference and are not intended to define or limit the scope of any provisions of this Lease.

O. **Construction.** This Lease shall be interpreted and construed according to its fair meaning, without consideration as to which party drafted it.

P. **Incorporation of Recitals.** The Recitals set forth in the foregoing Preamble to this Lease are contractual and binding, and are incorporated herein as enforceable provisions of this Lease.

Q. **Authorization to Execute Agreement.** The individuals executing this Lease represent and warrant that they are competent and capable of entering into a binding contract, and that they are authorized to execute this Lease on behalf of the

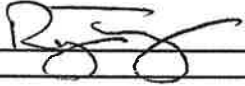
SUPPLEMENTAL #1

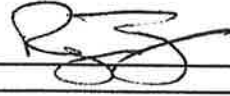
October 26, 2015

parties hereto. Signatures transmitted by facsimile transmission, by electronic mail in portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same force and effect as physical execution and delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the authorized representatives of the parties hereto have duly executed this Agreement.

Signatures:

TENANT: 
By: _____
Name: _____
Title: _____

LANDLORD: 
By: _____
Name: _____
Title: _____

October 26, 2015**3:47 pm****EXHIBIT A – MONTHLY RENT AMORTIZATION SCHEDULE**

<u>Lease Year</u>	<u>Price per Square Foot</u>	<u>Base Rent (Payable Monthly)</u>	<u>Additional Rent – CAM Price Per Square Foot (Payable Monthly)</u>	<u>MRI Suite Build-Out and MRI Shielding Cost (Payable Monthly) **</u>
Year 1	\$19.00	\$2,675.67	\$4.00	\$2120.09
Year 2	\$19.57	\$2,755.94	\$4.12	\$2120.09
Year 3	\$20.16	\$2,836.21	\$4.22	\$2120.09
Year 4	\$20.76	\$2,921.13	\$4.35	\$2120.09
Year 5	\$21.38	\$3,008.38	\$4.48	\$2120.09
Year 6	\$22.02	\$3,097.96	\$4.61	\$2120.09
Year 7	\$22.68	\$3,191.02	\$4.75	\$2120.09
Year 8	\$23.36	\$3,286.42	\$4.89	XXXXXX

** MRI Suite build-out and MRI Shielding costs of \$150,000 are payable as Additional Rent, in monthly installments over 7-years at an annual interest rate of 5% simple interest.

October 26, 2015**3:47 pm****EXHIBIT B – BUILDING RULES AND REGULATIONS**

Tenant agrees to comply at all times during the Lease with the following Building Rules and Regulations, as same may be amended from time to time in Landlord's sole discretion:

1. Access to Building. Any person entering or leaving the Building may be questioned by Building security regarding his/her business in the Building and may be required to sign in and out. Anyone who fails to provide a satisfactory reason for being in the Building may be excluded.
2. Accidents. Tenant shall give Landlord prompt notice of any accidents occurring in the Building or Leased Premises.
3. Cleanliness; Trash and Refuse. Tenant shall at all times maintain the Leased Premises in a clean and healthful condition, as determined by applicable law and/or rules established in Landlord's sole determination. Tenant shall be responsible for maintaining suitable receptacles for trash and refuse, and removing all trash and refuse accumulated in the Leased Premises on no less than a weekly basis.
4. Conduct. Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Leased Premises in any manner that violates local, state or federal laws or regulation.
5. Contractors. Tenant shall not employ any service or contractor for service or work to be performed in the Building or Leased Premises, except as approved by Landlord.
6. Defects; Breakage. Tenant shall give Landlord prompt notice of any breakage or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.
7. Equipment; Moving; Furniture, Etc. Landlord shall approve the weight, size and position of all fixtures, equipment and other Personal Property of Tenant that is brought into the Building, and the times of moving which must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to any such equipment or property from any cause, and all damage done in the Building by moving or maintaining any such property shall be repaired at the expense of Tenant. All equipment shall be installed as required by law. Any hand carts, carryalls or similar appliances used to move merchandise or equipment into or out of the Building shall be equipped with rubber tires, side guards and such other safeguards as required by Landlord.
8. Firearms. Tenant shall not allow any firearms in the Building or the Leased Premises except as approved by Landlord in writing.
9. Keys. Tenant shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
10. Locks. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Tenant must upon the termination of its tenancy restore to Landlord all keys to the Leased Premises and toilet rooms either furnished to or otherwise produced by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Lessor the cost thereof.
11. Medical and Hazardous Waste. Tenant shall comply with all laws applicable to medical and hazardous waste, and with all policies established from time to time by Landlord, regarding the storage and disposal of hazardous substances, wastes and materials, and medical, special or infectious wastes.
12. Musical Instruments. Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the Building in such manner as to disturb or annoy other tenants inside or outside of the Building. Tenant shall not install any antennae, aerial wires or other equipment outside the Building without the prior written approval of Landlord.
13. Non-Disturbance; Loitering. Tenant shall not disturb, harass, solicit or canvass any occupant or invitee of the Building; nor shall Tenant allow any of its invitees to engage in such conduct. Neither Tenant nor any of Tenant's invitees shall loiter in common areas or in the parking lot.
14. Nuisances. Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Leased Premises, and shall not create or maintain a nuisance thereon.
15. Obstructions. The doors, window glass, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. Tenant shall not obstruct or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrance, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building. Tenant shall not allow anything to be placed on the outside window ledges of the Leased Premises or to be thrown out of the windows of the Building, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the Building or the land upon which the Building is sited.
16. Parking. Unless otherwise specified by Landlord, Tenant and its employees may park automobiles only in spaces designated by Landlord for such purpose and shall in no event park in spaces reserved for public parking or in No Parking zones.

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Tenant agrees that Landlord assumes no responsibility of any kind whatsoever in reference to such automobile parking area or the use thereof by Tenant or its agents or employees. Landlord reserves the right to remove any vehicles that do not comply with these rules on parking, and shall indemnify and hold harmless Landlord from its reasonable exercise of these rights with respect to vehicles of Tenant and its employees, agents and invitees.

17. Requirements of Tenant. The requirements of Tenant will be attended to only upon application at the office of Landlord. No employee, agent or invitee of Tenant shall perform any work nor do anything outside their regular duties unless under special instructions from Landlord. No employee, agent or invitee shall admit any person, Tenant or otherwise, to any office other than the Leased Premises without instruction from the office of Landlord. All janitorial services personnel, guards or any outside contractors employed by Tenant shall be subject to the regulations and control of Landlord, but shall not act as an agent or servant of Landlord.

18. Signage. Tenant shall not place any sign upon the Leased Premises or the Building without Landlord's prior written consent.

19. Security; Conservation of Resources. Tenant will see that all windows and doors are securely locked, and that all faucets and electric light switches are turned off before leaving the Building.

20. Smoking. The use of all tobacco products, including without limitation, cigarettes, cigars, pipe tobacco, and smokeless tobacco of any kind, is prohibited in all portions of the Building.

21. Toilets and Urinals. Tenant shall permit its employees, agents, contractors and invitees to use toilets and urinals only for the purpose for which they were intended and constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed.

22. Vehicles; Animals. No bicycle or other vehicle, and no animal, except for a service animal, shall be brought into the offices, halls, corridors, elevators or any other parts of the Building by Tenant or the or the agents, employees or invitees of Tenant.

23. Walls. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or ironwork. Tenant shall be permitted to hang pictures on office walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls.

24. Wiring. Electrical wiring of every kind shall be introduced, connected, cut, and any boring shall be performed, only by contractors approved in writing by Landlord and working under the direct supervision of Landlord. The location of the telephone, call boxes, cable connections, etc., shall be subject to the prior written approval of Landlord.

October 26, 2015

3:47 pm

EXHIBIT C – LANDLORD BUILD-OUT SPECIFICATIONS

October 26, 2015

3:47 pm

EXHIBIT D
DESCRIPTION OF LEASED PREMESIS (FLOOR PLAN)

[ATTACH ON THIS PAGE]

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED –
ECONOMIC FEASIBILITY – ITEM #1
(Evergreen Constructors, LLC Attestation)

October 26, 2015**3:47 pm**

October 23, 2015

Christi D. Griffin, Esq.
Griffin Law Office
113 East Main Street
Lebanon, TN 37087

Dear Ms. Griffin,

I am writing this letter at your request in support of a Certificate of Need application filed by Tennessee Orthopedics, P.C. for the relocation and upgrade of an MRI scanner. I am the sole member of Evergreen Construction, LLC, and hold Tennessee licenses as a professional engineer and general contractor. I have been engaged by Phoenix Medical Office Building, LLC to provide general contractor services for the construction of a new medial office building located on 101 Physicians Way, Lebanon, Tennessee 37090. It is my understanding that Tennessee Orthopedics will lease the medical office building.

The medical office building includes a 1,396 square foot MRI suite that will house an MRI scanner and related space. The design of the MRI suite includes the MRI room, technologist's office, small waiting room, changing area and restroom. The construction of the MRI suite entails the installation of interior walls, sheet rock, flooring, painting, electrical, mechanical, fire protection and the required MRI shielding. The architectural plans call for the construction of the physical environment of the MRI suite to be in compliance with applicable federal, state and local construction codes, standards, specifications, and requirements.

The estimated cost of constructing the MRI suite as described above is \$150,000.00. I affirm that the physical environment of the MRI suite will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. K. Pine".

David K. Pine, P.E.

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED –
ECONOMIC FEASIBILITY – ITEM #4
(Revised Historical and Projected Data Charts)

October 26, 2015**3:47 pm****HISTORICAL DATA CHART (Revised)**

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in **JANUARY** (Month).

	Year 2012	Year 2013	Year 2014
A. Utilization Data (# MRI scans)	1197	1196	909
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	1,972,389	1,805,657	1,390,556
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$1,972,389	\$1,805,657	\$1,390,556
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$1,352,075	\$1,280,988	\$1,038,140
2. Provision for Charity Care	4,279	4,054	\$3,285
3. Provisions for Bad Debt	69,886	66,211	53,659
Total Deductions	\$1,426,240	\$1,351,253	\$1,095,084
NET OPERATING REVENUE	\$546,149	\$454,404	\$295,472
D. Operating Expenses			
1. Salaries and Wages	\$134,122	\$121,912	\$63,411
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	4,756	3,149	\$4,479
4. Taxes (Payroll Taxes)	11,101	9,211	5,116
5. Depreciation	_____	_____	_____
6. Rent	58,141	24,926	51,833
7. Interest, other than Capital	_____	_____	_____
8. Management Fees:			
a. Fees to Affiliates	_____	_____	_____
b. Fees to Non-Affiliates	_____	_____	_____
9. Other Expenses (Specify) All Other, MRI Lease, Utilities	228,641	278,471	281,540
Total Operating Expenses	\$436,761	\$437,669	\$406,379
E. Other Revenue (Expenses) – Net (Specify)	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$109,388	\$16,735	\$(110,907)
F. Capital Expenditures			
1. Retirement of Principal	\$ _____	\$ _____	\$ _____
2. Interest	_____	_____	_____
Total Capital Expenditures	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	<u>\$109,388</u>	<u>\$16,735</u>	<u>\$(110,907)</u>

PROJECTED DATA CHART

SUPPLEMENTAL #1

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in **JANUARY** (Month).

~~October 26, 2015~~

3:47 pm

	Year 2016	Year 2017
A. Utilization Data (# MRI scans)	1693	2565
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	\$2,589,891	\$3,923,846
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$2,589,891	\$3,923,846
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$1,933,521	\$2,929,404_
2. Provision for Charity Care	6,119	9,270
3. Provisions for Bad Debt	99,939	151,414
Total Deductions	\$2,039,579	\$3,090,089
NET OPERATING REVENUE	\$550,312	\$833,757
D. Operating Expenses		
1. Salaries and Wages	\$53,040	\$53,040
2. Physician's Salaries and Wages	_____	_____
3. Supplies	8,342	12,639
4. Taxes	6,400	6,400
5. Depreciation	_____	_____
6. Rent	32,102	32,102
7. Interest, other than Capital (Build-out loan)	25,441	25,441
8. Management Fees:		
a. Fees to Affiliates	_____	_____
b. Fees to Non-Affiliates	_____	_____
9. Other Expenses (Specify) MRI Lease, Utilities, etc.	104,251	283,051
Total Operating Expenses	\$229,576	\$412,673
E. Other Revenue (Expenses) -- Net (Specify)	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$320,736	\$421,084
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	<u>\$320,736</u>	<u>\$421,084</u>

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT

SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED –

ECONOMIC FEASIBILITY – ITEM #10-A

(Applicant's Financial Representative Letter from Ancillary Healthcare Consulting)

October 26, 2015

3:47 pm

October 26, 2015

Christi Griffin, Esq.
Griffin Law Office
113 East Main Street
Lebanon, Tennessee 37087

Re: Certificate of Need Application CN1510-041
Tennessee Orthopedics, P.C. – Relocation of an MRI

Dear Ms. Griffin:

I am providing this letter in support of Tennessee Orthopedic's CON application to relocate and upgrade the practice's MRI scanner. I am engaged by Tennessee Orthopedics to provide business consulting services, and in this capacity I am familiar with the financial affairs and operations of Tennessee Orthopedics. I am familiar with the subject CON application, including how the project costs will be paid.

Tennessee Orthopedics reports its financials on a cash basis, meaning that accounts receivable are not recorded as an asset. Rather, only cash payments received are recorded as an asset. However, Tennessee Orthopedics is a medical practice that bills insurance companies and patients for the medical and surgical services provided; and has a significant amount of current accounts receivable outstanding at any given time. These accounts receivable are an asset of the practice.

The Tennessee Orthopedics financial statements for month-ending September 30, 2015 show current assets of \$78,323.63. In addition, current accounts receivable (e.g., 0-30 days) outstanding as of September 30, 2015 are \$472,851.62, inclusive of filed insurance claims and patient invoices. An accounts receivable Aging Analysis, prepared by Tennessee Orthopedics' third-party billing service, is attached to this letter.

Typically, approximately 50% of gross charges billed to insurance companies is collected, reducing the estimated 9/30/15 accounts receivable expected to be collected from insurance companies to \$236,425.81. Taking contractual adjustments into consideration, as of September 30, 2015, Tennessee Orthopedics' current assets were \$314,749.44 (e.g., \$78,323.62 + \$236,425.81). The current ratio as of this date was 29,245 (e.g., current assets of \$236,425.81/current liabilities of \$11,631.43 as shown on the 9/30/15 balance sheet).

In addition to its cash reserves, Tennessee Orthopedics has available a commercial line of credit from Pinnacle Bank in the amount of \$250,000 that is available to cover project expenses as may be necessary from time to time. The letter confirming the Pinnacle Bank line of credit is attached to this letter, showing an available balance of \$135,652.82 as of October 22, 2015.

Please let me know should you require further information. Thank you.

Sincerely,



Anne Thompson
Owner and Consultant

Attachments: As stated

Tennessee Orthopedics, PC 2015
 Balance Sheet
 September 30, 2015

October 26, 2015**3:47 pm****ASSETS****Current Assets**

Cash - First Tennessee	\$	28,627.01
Cash - Wilson Bank		15,422.83
Cash - Pinnacle Bank Checking		2,445.39
RMA Escrow Account		19,854.80
A/R-Neely/Cornelius (Meaningfu		11,973.60

Total Current Assets 78,323.63

Property and Equipment

Medical Equipment - ANC	528,882.40
Medical Equipment - Gallatin	28,480.21
Medical Equipment - IRG	175,743.40
Leasehold Improvements	31,698.84
Medical Equipment	130,165.37
Office Equipment	342,977.18
Furniture & Fixtures	67,463.29
Accumulated Depreciation - ANC	(528,882.00)
Accumulated Depreciation - IRG	(175,744.00)
Accumulated Depreciation	(498,703.38)

Total Property and Equipment 102,081.31

Other Assets

Total Other Assets 0.00

Total Assets \$ 180,404.94

LIABILITIES AND CAPITAL**Current Liabilities**

Shareholder Loan	\$	(11,631.43)
------------------	----	-------------

Total Current Liabilities (11,631.43)

Long-Term Liabilities

Line of Credit - Pinnacle	114,347.18
Equipment Lease	4,956.83
Equipment Lease	28,387.23

Total Long-Term Liabilities 147,691.24

Total Liabilities 136,059.81

Capital

Retained Earnings	(13,393.43)
Common Stock	8,000.00
Net Income	49,738.56

Total Capital 44,345.13

Total Liabilities & Capital \$ 180,404.94

Unaudited - For Management Purposes Only

October 26, 2015**3:47 pm**

Page: 1

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Revenues				
Fees	\$ 35,273.10	12.70	\$ 230,106.68	10.39
Fees	52,255.98	18.81	463,736.57	20.93
Fees	1,009.67	0.36	1,807.40	0.08
Fees for Beau	0.00	0.00	56,072.86	2.53
Fees	6,479.00	2.33	36,702.50	1.66
Fees	38,099.10	13.72	357,111.69	16.12
Fees	639.45	0.23	3,263.18	0.15
Fees	122,746.42	44.19	925,400.76	41.77
Fees	379.78	0.14	921.47	0.04
Fees	20,212.79	7.28	117,442.17	5.30
Fees for Greg	109.84	0.04	22,074.42	1.00
Fees	0.00	0.00	360.00	0.02
Other Income	0.00	0.00	1,537.12	0.07
Other Income	0.00	0.00	352.77	0.02
Refunds	0.00	0.00	(200.00)	(0.01)
Refunds	0.00	0.00	(873.57)	(0.04)
Refunds	0.00	0.00	(101.35)	0.00
Refunds	0.00	0.00	41.71	0.00
Refunds	553.73	0.20	(4,233.34)	(0.19)
Refunds	0.00	0.00	65.12	0.00
Refunds	0.00	0.00	(323.40)	(0.01)
Returned Checks	0.00	0.00	(56.94)	0.00
Returned Checks	0.00	0.00	(66.94)	0.00
Rental Income	0.00	0.00	1,500.00	0.07
Rental Income	0.00	0.00	2,796.49	0.13
Total Revenues	277,758.86	100.00	2,215,437.37	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	277,758.86	100.00	2,215,437.37	100.00
Expenses				
Accounting Fees	0.00	0.00	14,295.00	0.65
Automobile Expenses	0.00	0.00	1,025.16	0.05
Automobile Expenses	185.13	0.07	2,568.18	0.12
Bank Service Charges	0.00	0.00	359.13	0.02
Bank Service Charges	14.00	0.01	1,446.48	0.07
Bank Service Charge	0.00	0.00	14.00	0.00
Billing & Collections	0.00	0.00	252.10	0.01
Billing & Collections	504.83	0.18	539.01	0.02
Billing & Collections	57.74	0.02	373.03	0.02
Billing & Collections	286.92	0.10	1,045.92	0.05
Billing & Collections	9,735.79	3.51	40,871.20	1.84
Billing & Collections	113.92	0.04	297.81	0.01
Computer Repair & Svs.	0.00	0.00	1,908.13	0.09
Computer Repair & Svs.	0.00	0.00	845.30	0.04
Computer Repair & Svs.	710.13	0.26	8,181.95	0.37
Contract Labor	0.00	0.00	269.01	0.01
Contract Labor	0.00	0.00	5,604.50	0.25
Contract Labor	0.00	0.00	250.00	0.01

For Management Purposes Only

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Contract Labor	0.00	0.00	3,575.75	0.16
Contract Labor	0.00	0.00	10,266.40	0.46
Contracted Services	0.00	0.00	200.61	0.01
Contracted Services	0.00	0.00	757.90	0.03
Contracted Services	1,148.95	0.41	28,039.93	1.27
Credit Card Fees	0.00	0.00	122.21	0.01
Credit Card Fees	0.00	0.00	565.67	0.03
Credit Card Fees	1,092.29	0.39	2,454.93	0.11
Dues & Subscriptions	0.00	0.00	75.00	0.00
Dues and Subscriptions	0.00	0.00	84.00	0.00
Dues & Subscriptions	0.00	0.00	815.82	0.04
Dues & Subscriptions	0.00	0.00	2,097.23	0.09
Equipment Lease	0.00	0.00	145,239.47	6.56
Equipment Lease	0.00	0.00	310.60	0.01
Flowers & Gifts	0.00	0.00	165.18	0.01
Flowers & Gifts	0.00	0.00	125.15	0.01
Housekeeping/Maintenance	268.00	0.10	588.00	0.03
Housekeeping/Maintenance	358.00	0.13	692.30	0.03
Housekeeping/Maintenance	844.00	0.30	3,892.00	0.18
Insurance - General Liability	472.50	0.17	3,730.50	0.17
Insurance - Staff	(59.60)	(0.02)	(514.07)	(0.02)
Insurance - Staff	(153.86)	(0.06)	1,486.50	0.07
Insurance - Staff	(122.04)	(0.04)	(640.90)	(0.03)
Insurance - Staff	(230.80)	(0.08)	(1,835.40)	(0.08)
Insurance - Staff	0.00	0.00	266.40	0.01
Insurance - Work Comp	0.00	0.00	1,846.50	0.08
Interest Expense	0.00	0.00	370.81	0.02
Interest Expense	1,783.95	0.64	10,474.80	0.47
Laundry	41.71	0.02	262.38	0.01
Laundry	84.54	0.03	225.28	0.01
Laundry	13.11	0.00	1,697.73	0.08
Legal Fees	0.00	0.00	925.00	0.04
Legal Fees	0.00	0.00	616.00	0.03
Legal Fees	0.00	0.00	6,860.80	0.31
Legal Fees	0.00	0.00	38,352.12	1.73
Licenses & Permits	0.00	0.00	69.04	0.00
Licenses & Permits	50.00	0.02	100.00	0.00
Licences & Permits	0.00	0.00	285.00	0.01
Licenses & Permits	0.00	0.00	1,888.42	0.09
Licenses & Permits	0.00	0.00	235.00	0.01
Marketing	0.00	0.00	2,235.00	0.10
Marketing	0.00	0.00	665.28	0.03
Marketing	0.00	0.00	5,852.17	0.26
Meals & Entertainment	0.00	0.00	576.39	0.03
Meals and Entertainment	0.00	0.00	50.92	0.00
Medical Waste	0.00	0.00	13.33	0.00
Medical Waste	278.33	0.10	2,723.66	0.12
Office Expense	0.00	0.00	84.10	0.00
Office Expense	0.00	0.00	1,437.12	0.06
Office Expense	0.00	0.00	207.05	0.01
Office Expense	333.67	0.12	1,471.58	0.07
Payroll Fees	396.35	0.14	3,332.84	0.15
Payroll - Staff Compensation	4,588.64	1.65	43,020.20	1.94
Payroll - Staff Compensation	13,995.56	5.04	176,140.56	7.95
Payroll - Staff Compensation	5,681.14	2.05	31,896.74	1.44

For Management Purposes Only

October 26, 2015

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Payroll - Staff Compensation	1,923.08	0.69	7,692.32	0.35
Payroll - Staff Compensation	21,759.66	7.83	286,632.42	12.94
Payroll - Staff Compensation	9,583.34	3.45	91,041.75	4.11
Postage & Delivery	0.00	0.00	84.17	0.00
Postage & Delivery	0.00	0.00	48.99	0.00
Postage & Delivery	0.00	0.00	1,038.01	0.05
Printing & Reproduction	101.93	0.04	366.37	0.02
Printing & Reproduction	0.00	0.00	207.75	0.01
Printing & Reproduction	0.00	0.00	921.47	0.04
Printing & Reproduction	255.59	0.09	2,275.54	0.10
Rent	2,250.00	0.81	20,470.00	0.92
Rent	0.00	0.00	640.00	0.03
Rent	2,959.00	1.07	36,154.16	1.63
Rent	855.15	0.31	3,420.60	0.15
Rent	800.00	0.29	3,200.00	0.14
Rent	9,166.91	3.30	111,647.37	5.04
Repairs	0.00	0.00	279.69	0.01
Repairs	0.00	0.00	400.00	0.02
Repairs	0.00	0.00	8,638.57	0.39
Repairs	316.83	0.11	5,978.38	0.27
Service Contract - Equipment	8,608.73	3.10	76,369.84	3.45
Service Contract - Equipment	0.00	0.00	1,523.15	0.07
Service Contract - Equipment	464.63	0.17	2,314.88	0.10
Supplies - Drugs & Injections	0.00	0.00	5,250.00	0.24
Supplies - Drugs and Injection	4,515.01	1.63	9,359.40	0.42
Supplies - Drugs & Injections	2,746.00	0.99	59,913.00	2.70
Supplies - Medical	0.00	0.00	1,513.07	0.07
Medical Supplies	0.00	0.00	107.60	0.00
Supplies - Medical	0.00	0.00	46.15	0.00
Supplies - Medical	1,203.06	0.43	27,790.32	1.25
Supplies - Office	30.72	0.01	174.88	0.01
Office Supplies	0.00	0.00	1,890.24	0.09
Supplies - Office	620.84	0.22	9,866.32	0.45
Supplies - Other	0.00	0.00	6.51	0.00
Supplies - Other	0.00	0.00	2.79	0.00
Supplies - Other	197.91	0.07	1,347.04	0.06
Taxes - Franchise & Excise	0.00	0.00	2,600.00	0.12
Taxes - Personal Property	0.00	0.00	1,678.96	0.08
Taxes - Staff Payroll	350.82	0.13	3,319.65	0.15
Taxes - Staff Payroll	358.98	0.13	10,265.48	0.46
Taxes - Staff Payroll	425.04	0.15	2,395.69	0.11
Taxes - Staff Payroll	156.53	0.06	644.03	0.03
Taxes - Staff Payroll	1,511.86	0.54	24,165.12	1.09
Taxes - Staff Payroll	733.12	0.26	7,027.52	0.32
Telephone/Internet/TV	0.00	0.00	2,596.04	0.12
Telephone/Internet/TV	0.00	0.00	5,351.46	0.24
Telephone/Internet/TV	0.00	0.00	15,470.51	0.70
Tier II Expenses	0.00	0.00	277,031.00	12.50
Transcription	0.00	0.00	177.92	0.01
Transcription	0.00	0.00	528.96	0.02
Transcription	0.00	0.00	789.84	0.04
Travel CME	0.00	0.00	1,500.00	0.07
Travel - CME	0.00	0.00	7,336.14	0.33
Travel - CME	0.00	0.00	295.00	0.01
Utilities	0.00	0.00	11,009.61	0.50

For Management Purposes Only

October 26, 2015**3:47 pm**

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Utilities	375.64	0.14	3,205.61	0.14
Utilities	1,088.09	0.39	6,276.67	0.28
Utilities	0.00	0.00	1,414.42	0.06
Disability Ins - Mid-level	133.20	0.05	771.92	0.03
Disability Ins - Staff	82.62	0.03	140.44	0.01
Disability Ins - Physician	84.95	0.03	2,161.25	0.10
Disability Ins - Mid-level	133.20	0.05	1,560.54	0.07
Health Ins - Physician	111.91	0.04	3,490.38	0.16
Payroll - Phy Salary	58,494.45	21.06	340,013.62	15.35
Payroll Taxes - Physician	977.25	0.35	12,865.38	0.58
Depreciation	2,603.20	0.94	24,379.99	1.10
Ancillary Bonus Allocated	0.00	0.00	(49,399.25)	(2.23)
Ancillary Bonus Allocated	0.00	0.00	49,399.25	2.23
Total Expenses	178,452.15	64.25	2,165,698.81	97.75
Net Income	\$ 99,306.71	35.75	\$ 49,738.56	2.25

For Management Purposes Only

ACCOUNTS RECEIVABLE AGING ANALYSIS
AS OF 9/30/15

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

October 26, 2015

3:47 pm

MEDICAL BILLING ASSOCIATES, INC.

P.O. Box 5000
Lebanon, Tennessee 37088
615-444-2320
615-547-9845 fax

October 26, 2015

Anne Thompson
Owner
Ancillary Healthcare Consulting
9786 Hartsville Pike
Lebanon, Tennessee 37087

Dear Ms. Thompson,

Please see attached the requested Accounts Receivable Aging Analysis report for Tennessee Orthopedics as of 9/30/15. Current accounts receivable (e.g., accounts outstanding 0-30 days) includes gross charges billed to insurance companies as well as invoices to patients for amounts not covered by health insurance. Based on historical billing and collections data, we estimate that 50% of the current accounts receivable is collectable after adjustments for insurance contractual discounts and bad debt. Thank you, and please let me know should you require further information.

Cordially,



Debra Dismukes
Medical Billing Associates
President

***** AGING ANALYSIS REPORT *****
 by CUR PAT TYPE

	0-30	31-60	61-90	91-120	121-150	OVER 150	TOTAL CHARGES	TOTAL RECEIPTS	TOTAL BALANCE
1 -SELF PAY	5199.93	357308.21	11184.46	10447.70	15385.43	1109.44	87578.20	313056.97	400635.17
2 -MEDICARE	78029.44	58572.64	3923.72	4169.69	3692.35	1694.39	741746.31	591664.08	150082.23
3 -MEDICAID	5876.00	40.00	85.00	80.00	236.18	40.00	18347.56	11990.38	6357.18
4 -MEDICARE/MEDICAID	22454.00	8988.69	2200.72	1838.58	572.65	956.11	207578.01	170567.26	37010.75
5 -BLUE CROSS/BLUE SHI	91485.48	90915.96	39786.26	7103.32	19403.98	3136.92	876969.60	625137.68	251831.92
6 -COMMERCIAL INSURANC	19510.24	76558.72	36268.84	16791.46	8799.89	2955.19	247247.77	86363.43	160884.34
10 -WORKER'S COMPENSATI	43523.73	44846.68	29874.39	9516.15	10870.79	620.00	323834.56	184582.82	139251.74
11 -TENNCARE/MEDICAID		46454.07		4764.84		6933.70		848594.28	
	120871.96		19212.97		4013.19		1050845.01		202250.73
12 -TENNCARE/UNINSURED	2993.00	1228.18	98.58	50.00	.00	.00	12665.24	8295.48	4369.76
13 -CIGNA	23007.00	24722.66	2983.10	1334.84	2939.14	221.62	165816.28	110607.92	55208.36
14 -AETNA	8069.24	26891.44	1951.23	2808.77	4035.64	652.98	110019.01	65609.71	44409.30
15 -UNITED HEALTHCARE	16267.00	23403.66	3236.08	1779.93	4686.31	629.39	192453.82	142451.45	50002.37
16 -HEALTHSPRINGS	26813.60	11404.44	5180.49	10793.68	6221.49	4791.72	193689.48	128484.06	65205.42
17 -CHAMPUS	8751.00	2895.24	70.15	12.00	248.06	477.54	37915.56	25461.57	12453.99
25 -VETERANS	.00	.00	.00	.00	.00	.00	801.00	801.00	.00
100 -COURTESY	.00	30.00	50.00	50.00	552.91	.00	4219.00	3536.09	682.91
***** GRAND TOTALS *****	472,851.62	774,260.59	156,105.99	71,540.96	81,658.01	24,219.00	4,271,726.41	2,691,090.24	1,580,636.17

October 22, 2015

Christi Griffin, Esquire
Griffin Law Firm
113 East Main Street
Lebanon, TN 37087

Dr. Roy Terry has a \$250,000.00 line of credit with Pinnacle Bank. This line of credit is solely for use in the business of Tennessee Orthopedics. The balance outstanding is variable. As of today's date, the outstanding balance is \$114,347.18 .

Please do not hesitate to contact me with any questions.

Sincerely,


Jeff Porter (cfd)
Vice President

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED -
ECONOMIC FEASIBILITY – ITEM #10-B
(Month End 9/30/15 Unaudited Financial Statements)

Tennessee Orthopedics, PC 2015
Balance Sheet
September 30, 2015

October 26, 2015
3:47 pm

ASSETS

Current Assets

Cash - First Tennessee	\$	28,627.01
Cash - Wilson Bank		15,422.83
Cash - Pinnacle Bank Checking		2,445.39
RMA Escrow Account		19,854.80
A/R-Neely/Cornelius (Meaningfu		11,973.60

Total Current Assets 78,323.63

Property and Equipment

Medical Equipment - ANC	528,882.40
Medical Equipment - Gallatin	28,480.21
Medical Equipment - IRG	175,743.40
Leasehold Improvements	31,698.84
Medical Equipment	130,165.37
Office Equipment	342,977.18
Furniture & Fixtures	67,463.29
Accumulated Depreciation - ANC	(528,882.00)
Accumulated Depreciation - IRG	(175,744.00)
Accumulated Depreciation	(498,703.38)

Total Property and Equipment 102,081.31

Other Assets

Total Other Assets 0.00

Total Assets \$ 180,404.94

LIABILITIES AND CAPITAL

Current Liabilities

Shareholder Loan \$ (11,631.43)

Total Current Liabilities (11,631.43)

Long-Term Liabilities

Line of Credit - Pinnacle	114,347.18
Equipment Lease	4,956.83
Equipment Lease	28,387.23

Total Long-Term Liabilities 147,691.24

Total Liabilities 136,059.81

Capital

Retained Earnings	(13,393.43)
Common Stock	8,000.00
Net Income	49,738.56

Total Capital 44,345.13

Total Liabilities & Capital \$ 180,404.94

Unaudited - For Management Purposes Only

Tennessee Orthopedics, PC 2015
 Total
 Income Statement
 For the Nine Months Ending September 30, 2015

October 26, 2015 Page: 1
 3:47 pm

	Current Month		Year to Date	
Revenues				
Fees	\$ 35,273.10	12.70	\$ 230,106.68	10.39
Fees	52,255.98	18.81	463,736.57	20.93
Fees	1,009.67	0.36	1,807.40	0.08
Fees for Beau	0.00	0.00	56,072.86	2.53
Fees	6,479.00	2.33	36,702.50	1.66
Fees	38,099.10	13.72	357,111.69	16.12
Fees	639.45	0.23	3,263.18	0.15
Fees	122,746.42	44.19	925,400.76	41.77
Fees	379.78	0.14	921.47	0.04
Fees	20,212.79	7.28	117,442.17	5.30
Fees for Greg	109.84	0.04	22,074.42	1.00
Fees	0.00	0.00	360.00	0.02
Other Income	0.00	0.00	1,537.12	0.07
Other Income	0.00	0.00	352.77	0.02
Refunds	0.00	0.00	(200.00)	(0.01)
Refunds	0.00	0.00	(873.57)	(0.04)
Refunds	0.00	0.00	(101.35)	0.00
Refunds	0.00	0.00	41.71	0.00
Refunds	553.73	0.20	(4,233.34)	(0.19)
Refunds	0.00	0.00	65.12	0.00
Refunds	0.00	0.00	(323.40)	(0.01)
Returned Checks	0.00	0.00	(56.94)	0.00
Returned Checks	0.00	0.00	(66.94)	0.00
Rental Income	0.00	0.00	1,500.00	0.07
Rental Income	0.00	0.00	2,796.49	0.13
Total Revenues	277,758.86	100.00	2,215,437.37	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	277,758.86	100.00	2,215,437.37	100.00
Expenses				
Accounting Fees	0.00	0.00	14,295.00	0.65
Automobile Expenses	0.00	0.00	1,025.16	0.05
Automobile Expenses	185.13	0.07	2,568.18	0.12
Bank Service Charges	0.00	0.00	359.13	0.02
Bank Service Charges	14.00	0.01	1,446.48	0.07
Bank Service Charge	0.00	0.00	14.00	0.00
Billing & Collections	0.00	0.00	252.10	0.01
Billing & Collections	504.83	0.18	539.01	0.02
Billing & Collections	57.74	0.02	373.03	0.02
Billing & Collections	286.92	0.10	1,045.92	0.05
Billing & Collections	9,735.79	3.51	40,871.20	1.84
Billing & Collections	113.92	0.04	297.81	0.01
Computer Repair & Svs.	0.00	0.00	1,908.13	0.09
Computer Repair & Svs.	0.00	0.00	845.30	0.04
Computer Repair & Svs.	710.13	0.26	8,181.95	0.37
Contract Labor	0.00	0.00	269.01	0.01
Contract Labor	0.00	0.00	5,604.50	0.25
Contract Labor	0.00	0.00	250.00	0.01

For Management Purposes Only

October 26, 2015 Page: 2

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Contract Labor	0.00	0.00	3,575.75	0.16
Contract Labor	0.00	0.00	10,266.40	0.46
Contracted Services	0.00	0.00	200.61	0.01
Contracted Services	0.00	0.00	757.90	0.03
Contracted Services	1,148.95	0.41	28,039.93	1.27
Credit Card Fees	0.00	0.00	122.21	0.01
Credit Card Fees	0.00	0.00	565.67	0.03
Credit Card Fees	1,092.29	0.39	2,454.93	0.11
Dues & Subscriptions	0.00	0.00	75.00	0.00
Dues and Subscriptions	0.00	0.00	84.00	0.00
Dues & Subscriptions	0.00	0.00	815.82	0.04
Dues & Subscriptions	0.00	0.00	2,097.23	0.09
Equipment Lease	0.00	0.00	145,239.47	6.56
Equipment Lease	0.00	0.00	310.60	0.01
Flowers & Gifts	0.00	0.00	165.18	0.01
Flowers & Gifts	0.00	0.00	125.15	0.01
Housekeeping/Maintenance	268.00	0.10	588.00	0.03
Housekeeping/Maintenance	358.00	0.13	692.30	0.03
Housekeeping/Maintenance	844.00	0.30	3,892.00	0.18
Insurance - General Liability	472.50	0.17	3,730.50	0.17
Insurance - Staff	(59.60)	(0.02)	(514.07)	(0.02)
Insurance - Staff	(153.86)	(0.06)	1,486.50	0.07
Insurance - Staff	(122.04)	(0.04)	(640.90)	(0.03)
Insurance - Staff	(230.80)	(0.08)	(1,835.40)	(0.08)
Insurance - Staff	0.00	0.00	266.40	0.01
Insurance - Work Comp	0.00	0.00	1,846.50	0.08
Interest Expense	0.00	0.00	370.81	0.02
Interest Expense	1,783.95	0.64	10,474.80	0.47
Laundry	41.71	0.02	262.38	0.01
Laundry	84.54	0.03	225.28	0.01
Laundry	13.11	0.00	1,697.73	0.08
Legal Fees	0.00	0.00	925.00	0.04
Legal Fees	0.00	0.00	616.00	0.03
Legal Fees	0.00	0.00	6,860.80	0.31
Legal Fees	0.00	0.00	38,352.12	1.73
Licenses & Permits	0.00	0.00	69.04	0.00
Licenses & Permits	50.00	0.02	100.00	0.00
Licences & Permits	0.00	0.00	285.00	0.01
Licenses & Permits	0.00	0.00	1,888.42	0.09
Licenses & Permits	0.00	0.00	235.00	0.01
Marketing	0.00	0.00	2,235.00	0.10
Marketing	0.00	0.00	665.28	0.03
Marketing	0.00	0.00	5,852.17	0.26
Meals & Entertainment	0.00	0.00	576.39	0.03
Meals and Entertainment	0.00	0.00	50.92	0.00
Medical Waste	0.00	0.00	13.33	0.00
Medical Waste	278.33	0.10	2,723.66	0.12
Office Expense	0.00	0.00	84.10	0.00
Office Expense	0.00	0.00	1,437.12	0.06
Office Expense	0.00	0.00	207.05	0.01
Office Expense	333.67	0.12	1,471.58	0.07
Payroll Fees	396.35	0.14	3,332.84	0.15
Payroll - Staff Compensation	4,588.64	1.65	43,020.20	1.94
Payroll - Staff Compensation	13,995.56	5.04	176,140.56	7.95
Payroll - Staff Compensation	5,681.14	2.05	31,896.74	1.44

For Management Purposes Only

October 26, 2015

3:47 pm

Page: 3

Tennessee Orthopedics, PC 2015

Total

Income Statement

For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Payroll - Staff Compensation	1,923.08	0.69	7,692.32	0.35
Payroll - Staff Compensation	21,759.66	7.83	286,632.42	12.94
Payroll - Staff Compensation	9,583.34	3.45	91,041.75	4.11
Postage & Delivery	0.00	0.00	84.17	0.00
Postage & Delivery	0.00	0.00	48.99	0.00
Postage & Delivery	0.00	0.00	1,038.01	0.05
Printing & Reproduction	101.93	0.04	366.37	0.02
Printing & Reproduction	0.00	0.00	207.75	0.01
Printing & Reproduction	0.00	0.00	921.47	0.04
Printing & Reproduction	255.59	0.09	2,275.54	0.10
Rent	2,250.00	0.81	20,470.00	0.92
Rent	0.00	0.00	640.00	0.03
Rent	2,959.00	1.07	36,154.16	1.63
Rent	855.15	0.31	3,420.60	0.15
Rent	800.00	0.29	3,200.00	0.14
Rent	9,166.91	3.30	111,647.37	5.04
Repairs	0.00	0.00	279.69	0.01
Repairs	0.00	0.00	400.00	0.02
Repairs	0.00	0.00	8,638.57	0.39
Repairs	316.83	0.11	5,978.38	0.27
Service Contract - Equipment	8,608.73	3.10	76,369.84	3.45
Service Contract - Equipment	0.00	0.00	1,523.15	0.07
Service Contract - Equipment	464.63	0.17	2,314.88	0.10
Supplies - Drugs & Injections	0.00	0.00	5,250.00	0.24
Supplies - Drugs and Injection	4,515.01	1.63	9,359.40	0.42
Supplies - Drugs & Injections	2,746.00	0.99	59,913.00	2.70
Supplies - Medical	0.00	0.00	1,513.07	0.07
Medical Supplies	0.00	0.00	107.60	0.00
Supplies - Medical	0.00	0.00	46.15	0.00
Supplies - Medical	1,203.06	0.43	27,790.32	1.25
Supplies - Office	30.72	0.01	174.88	0.01
Office Supplies	0.00	0.00	1,890.24	0.09
Supplies - Office	620.84	0.22	9,866.32	0.45
Supplies - Other	0.00	0.00	6.51	0.00
Supplies - Other	0.00	0.00	2.79	0.00
Supplies - Other	197.91	0.07	1,347.04	0.06
Taxes - Franchise & Excise	0.00	0.00	2,600.00	0.12
Taxes - Personal Property	0.00	0.00	1,678.96	0.08
Taxes - Staff Payroll	350.82	0.13	3,319.65	0.15
Taxes - Staff Payroll	358.98	0.13	10,265.48	0.46
Taxes - Staff Payroll	425.04	0.15	2,395.69	0.11
Taxes - Staff Payroll	156.53	0.06	644.03	0.03
Taxes - Staff Payroll	1,511.86	0.54	24,165.12	1.09
Taxes - Staff Payroll	733.12	0.26	7,027.52	0.32
Telephone/Internet/TV	0.00	0.00	2,596.04	0.12
Telephone/Internet/TV	0.00	0.00	5,351.46	0.24
Telephone/Internet/TV	0.00	0.00	15,470.51	0.70
Tier II Expenses	0.00	0.00	277,031.00	12.50
Transcription	0.00	0.00	177.92	0.01
Transcription	0.00	0.00	528.96	0.02
Transcription	0.00	0.00	789.84	0.04
Travel CME	0.00	0.00	1,500.00	0.07
Travel - CME	0.00	0.00	7,336.14	0.33
Travel - CME	0.00	0.00	295.00	0.01
Utilities	0.00	0.00	11,009.61	0.50

For Management Purposes Only

October 26, 2015

3:47 pm

Page: 4

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Utilities	375.64	0.14	3,205.61	0.14
Utilities	1,088.09	0.39	6,276.67	0.28
Utilities	0.00	0.00	1,414.42	0.06
Disability Ins - Mid-level	133.20	0.05	771.92	0.03
Disability Ins - Staff	82.62	0.03	140.44	0.01
Disability Ins - Physician	84.95	0.03	2,161.25	0.10
Disability Ins - Mid-level	133.20	0.05	1,560.54	0.07
Health Ins - Physician	111.91	0.04	3,490.38	0.16
Payroll - Phy Salary	58,494.45	21.06	340,013.62	15.35
Payroll Taxes - Physician	977.25	0.35	12,865.38	0.58
Depreciation	2,603.20	0.94	24,379.99	1.10
Ancillary Bonus Allocated	0.00	0.00	(49,399.25)	(2.23)
Ancillary Bonus Allocated	0.00	0.00	49,399.25	2.23
Total Expenses	178,452.15	64.25	2,165,698.81	97.75
Net Income	\$ 99,306.71	35.75	\$ 49,738.56	2.25

For Management Purposes Only

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT

SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED -

ECONOMIC FEASIBILITY – ITEM #10-C

(Month End 9/30/15 Accounts Receivable Aging Analysis)

October 26, 2015

3:47 pm

MEDICAL BILLING ASSOCIATES, INC.

*P.O. Box 5000
Lebanon, Tennessee 37088
615-444-2320
615-547-9845 fax*

October 26, 2015

Anne Thompson
Owner
Ancillary Healthcare Consulting
9786 Hartsville Pike
Lebanon, Tennessee 37087

Dear Ms. Thompson,

Please see attached the requested Accounts Receivable Aging Analysis report for Tennessee Orthopedics as of 9/30/15. Current accounts receivable (e.g., accounts outstanding 0-30 days) includes gross charges billed to insurance companies as well as invoices to patients for amounts not covered by health insurance. Based on historical billing and collections data, we estimate that 50% of the current accounts receivable is collectable after adjustments for insurance contractual discounts and bad debt. Thank you, and please let me know should you require further information.

Cordially,



Debra Dismukes
Medical Billing Associates
President

***** AGING ANALYSIS REPORT *****
 by CUR PAT TYPE

	0-30	31-60	61-90	91-120	121-150	OVER 150	TOTAL CHARGES	TOTAL RECEIPTS	TOTAL BALANCE
1 -SELF PAY	5199.93	357308.21	11184.46	10447.70	15385.43	1109.44	87578.20	313056.97	400635.17
2 -MEDICARE	78029.44	58572.64	3923.72	4169.69	3692.35	1694.39	741746.31	591664.08-	150082.23
3 -MEDICAID	5876.00	40.00	85.00	80.00	236.18	40.00	18347.56	11990.38-	6357.18
4 -MEDICARE/MEDICAID	22454.00	8988.69	2200.72	1838.58	572.65	956.11	207578.01	170567.26-	37010.75
5 -BLUE CROSS/BLUE SHI	91485.48	90915.96	39786.26	7103.32	19403.98	3136.92	876969.60	625137.68-	251831.92
6 -COMMERCIAL INSURANC	19510.24	76558.72	36268.84	16791.46	8799.89	2955.19	247247.77	86363.43-	160884.34
10 -WORKER'S COMPENSATI	43523.73	44846.68	29874.39	9516.15	10870.79	620.00	323834.56	184582.82-	139251.74
11 -TENNCARE/MEDICAID	120871.96	46454.07	19212.97	4764.84	4013.19	6933.70	1050845.01	848594.28-	202250.73
12 -TENNCARE/UNINSURED	2993.00	1228.18	98.58	50.00	.00	.00	12665.24	8295.48-	4369.76
13 -CIGNA	23007.00	24722.66	2983.10	1334.84	2939.14	221.62	165816.28	110607.92-	55208.36
14 -AETNA	8069.24	26891.44	1951.23	2808.77	4035.64	652.98	110019.01	65609.71-	44409.30
15 -UNITED HEALTHCARE	16267.00	23403.66	3236.08	1779.93	4686.31	629.39	192453.82	142451.45-	50002.37
16 -HEALTHSPRINGS	26813.60	11404.44	5180.49	10793.68	6221.49	4791.72	193689.48	128484.06-	65205.42
17 -CHAMPUS	8751.00	2895.24	70.15	12.00	248.06	477.54	37915.56	25461.57-	12453.99
25 -VETERANS	.00	.00	.00	.00	.00	.00	801.00	801.00-	.00
100 -COURTESY	.00	30.00	50.00	50.00	552.91	.00	4219.00	3536.09-	682.91
***** GRAND TOTALS *****	472,851.62	774,260.59	156,105.99	71,540.96	81,658.01	24,219.00	2,691,090.24-	4,271,726.41	1,580,636.17

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED -
ECONOMIC FEASIBILITY – ITEM #10-D
(Pinnacle Bank Commercial Line of Credit)

October 22, 2015

Christi Griffin, Esquire
Griffin Law Firm
113 East Main Street
Lebanon, TN 37087

Dr. Roy Terry has a \$250,000.00 line of credit with Pinnacle Bank. This line of credit is solely for use in the business of Tennessee Orthopedics. The balance outstanding is variable. As of today's date, the outstanding balance is \$114,347.18 .

Please do not hesitate to contact me with any questions.

Sincerely,


Jeff Porter
Vice President

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
PROOF OF PUBLICATION
(Oct. 2, 2015 Wilson Post – Full Page)

3:47 pm

PLACING A CLASSIFIED AD: Classified ads obtained in person, by phone or email from Monday to Friday, 9:00 a.m. to 4:30 p.m.

Email: classifieds@wilsonpost.com

Call: 615-452-4940

CLASSIFIED

PUBLIC NOTICE

NOTICE TO CREDITORS

ESTATE OF JAMES MICHAEL WHITE
CASE NO. 15PR037
Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of James Michael White, deceased, who died on May 31, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

CANDY L. WHITE
PERSONAL REPRESENTATIVE
ESTATE OF JAMES MICHAEL WHITE
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
J. STEPHEN BROWN
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-2-15

NOTICE TO CREDITORS

ESTATE OF CLAYTON RAY DOMINS
CASE NO. 15PR037
Notice is hereby given that on the 17th day of September, 2015, Letters Testamentary, in respect to the estate of Clayton Ray Downs, deceased, who died on September 8, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

JOANN DRYLOR
PERSONAL REPRESENTATIVE
ESTATE OF CLAYTON RAY DOMINS
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
J. STEPHEN BROWN
ATTORNEY
Newspaper Wilson Post
Date to run 9-25-15 and 10-2-15

NOTICE OF SUBSTITUTE TRUSTEES SALE
WHEREAS, default has occurred in the performance of the covenants, terms and conditions of a Deed of Trust dated August 24, 1998, executed by DAVID M. MUELLER, conveying certain real property therein described to ARNOLD H. WARDEN, ATTORNEY; and WHEREAS, said same appears in the Register's Office of Wilson County, Tennessee, recorded September 1, 1998, in Deed Book 713, Page 823; and WHEREAS, the beneficial interest of said Deed of Trust was transferred and assigned to BANK OF AMERICA, N.A., who is now the owner of said debt; and WHEREAS, the undersigned, Rubén Lubin, T.N., P.L.L.C., has been appointed as Substitute Trustee by instrument to be filed for record in the Register's Office of Wilson County, Tennessee, NOW, THEREFORE, notice is hereby given that the entire indebtedness has been declared due and payable, and that the undersigned, Rubén Lubin, T.N., P.L.L.C., as Substitute Trustee or his duly appointed agent, by virtue of the power, duty and authority vested and imposed upon said Substitute Trustee, will, on October 22, 2015 at 1:00 PM at the First Floor of the Wilson County Courthouse, proceed to sell said public property to the highest and best bidder for cash or certified check ONLY, the following described property located in Wilson County, Tennessee, to wit: BEING LOT NO. 17 ON THE PLAN OF VILLAGES AT CEDAR CREEK SECTION 1, AS OF RECORD IN PLAT BOOK 16, PAGE 24, REGISTER'S OFFICE FOR WILSON COUNTY, TENNESSEE TO WHICH PLAN REFERENCE IS HEREBY MADE FOR A MORE COMPLETE AND ACCURATE DESCRIPTION. Parcel ID: 0214140400 PROPERTY ADDRESS: 1219 CEDAR CREEK DRIVE, MOUNT JULIET, TN 37122. In the event of any discrepancy between this stated address and the legal description of the property, the legal description shall control. CURRENT OWNERS: DAVID M. MUELLER OTHER INTERESTED PARTIES: The sale of the above-described property shall be subject to all matters shown on any recorded plat, any unpaid taxes, any restrictive covenants, easements or setback lines that may be applicable, any prior liens or

encumbrances as well as any priority created by a future filing, and to any matter that an accurate survey of the premises might disclose. This property is being sold with the express reservation that it is subject to confirmation by the lender or Substitute Trustee. This sale may be rescinded at any time. The right is reserved to adjourn the date of the sale to another day, time, and place without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, nonresident, and cover are expressly waived in said Deed of Trust, and this is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including those for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Rubén Lubin, T.N., P.L.L.C., Substitute Trustee 119 S. Main Street, Suite 500 Memphis, TN 38102 www.rubénlubin.com propertydiscovery@rlp.net (877) 613-0222 Fax: (901) 621-5546 A/E 985030 2015-09-25, 2015-10-02, 2015-10-09

NOTICE TO CREDITORS
ESTATE OF HAROLD M. SAYLORS
CASE NO. 15PR037
Notice is hereby given that on the 21st day of September, 2015, Letters Testamentary, in respect to the estate of HAROLD M. SAYLORS, deceased, who died August 9, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

JOYCE ELIZABETH HUXLEY SAYLORS
PERSONAL REPRESENTATIVE
ESTATE OF HAROLD M. SAYLORS
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGEL KANE
ATTORNEY
Wilson Post
Date to run September 21, 2015 October 2, 2015

NOTICE TO CREDITORS
ESTATE OF PAUL W. CURRY
CASE NO. 15PR038
Notice is hereby given that on the 23rd day of September, 2015, Letters Testamentary, in respect to the estate of Paul W. Curry, deceased, who died on July 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

CAROLA WHITEHOUSE
PERSONAL REPRESENTATIVE
ESTATE OF PAUL W. CURRY
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
YANCY BELCHER
ATTORNEY
Newspaper Wilson Post
Date to run 9/25/15 & 10/2/15

NOTICE TO CREDITORS
ESTATE OF MURIEL E. JOHNSON
CASE NO. 15PR039
Notice is hereby given that on the 24th day of August, 2015, Letters Testamentary, in respect to the estate of MURIEL E. JOHNSON, deceased, who died July 28, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This is the 24th day of August, 2015.
Patricia L. Duch
PERSONAL REPRESENTATIVE
ESTATE OF MURIEL E. JOHNSON
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
DAVID B. FOUCH
ATTORNEY
Newspaper Wilson Post
Date to run 9/25/15 & 10/2/15

NOTICE TO CREDITORS

ESTATE OF BETTY JOYCE BLACKBURN
CASE NO. 15PR032
Notice is hereby given that on the 23rd day of September, 2015, Letters of Administration, in respect to the estate of BETTY JOYCE BLACKBURN, deceased, who died October 1, 2014, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This is the 23rd day of September, 2015.
Lynda Culp and Cheryl Blackburn Howard
PERSONAL REPRESENTATIVE
ESTATE OF BETTY JOYCE BLACKBURN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGEL KANE
ATTORNEY
Newspaper Wilson Post
Date to run 9/25/15 & 10/2/15

NOTICE TO CREDITORS
ESTATE OF HELEN MARIE VAN HOOK
CASE NO. 15PR039
Notice is hereby given that on the 30th day of September, 2015, Letters Testamentary, in respect to the estate of HELEN MARIE VAN HOOK, deceased, who died on September 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

KAREN M. VAN HOOK
PERSONAL REPRESENTATIVE
ESTATE OF HELEN MARIE VAN HOOK
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
ANGEL KANE
ATTORNEY
Newspaper Wilson Post
Date to run 10-2-15 & 10-9-15

NOTICE TO CREDITORS
ESTATE OF JOE E. WARDEN
CASE NO. 15PR032
Notice is hereby given that on the 26th day of September, 2015, Letters of Testamentary, in respect to the estate of JOE E. WARDEN, deceased, who died August 20, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This is the 26th day of September, 2015.

REGGY CAMP
PERSONAL REPRESENTATIVE
ESTATE OF JOE E. WARDEN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
MICHAEL W. FERRELL
ATTORNEY
Wilson Post
Date to run October 2, 2015 October 9, 2015

DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
BARBARA MOGINAS
ATTORNEY
Newspaper Wilson Post
Date to run 10/25/15 & 10/9/15

NOTICE TO CREDITORS
ESTATE OF HILDA I. BASS
CASE NO. 15PR035
Notice is hereby given that on the 28th day of September, 2015, Letters of Administration, C.T.A., in respect to the estate of Hilda I. Bass, deceased, who died on May 30, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

MARGARET BASS
PERSONAL REPRESENTATIVE
ESTATE OF HILDA I. BASS
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
GRAYSON SMITH CANNON
ATTORNEY
Newspaper Wilson Post
Date to run 10-2-15 & 10-9-15

NOTICE TO CREDITORS
ESTATE OF JOHNA TRICE
CASE NO. 15PR035
Notice is hereby given that on the 28th day of September, 2015, Letters Testamentary, in respect to the estate of JOHNA TRICE, deceased, who died on September 4, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

JOHNA TRICE
PERSONAL REPRESENTATIVE
ESTATE OF JOHNA TRICE
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
DAVID B. FOUCH
ATTORNEY
Newspaper Wilson Post
Date to run 10-2-15 & 10-9-15

NOTICE TO CREDITORS
ESTATE OF TROY B. HALL, JR
CASE NO. 15PR0310
Notice is hereby given that on the 25th day of September, 2015, Letters Testamentary, in respect to the estate of TROY B. HALL, JR., deceased, who died September 10, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. This is the 25th day of September, 2015.

RAYMOND STAFF
PERSONAL REPRESENTATIVE
ESTATE OF TROY B. HALL, JR
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
MICHAEL W. FERRELL
ATTORNEY
Wilson Post
Date to run October 2, 2015 October 9, 2015

NOTICE TO CREDITORS

ESTATE OF DOROTHY E. JORDAN
CASE NO. 15PR0314
Notice is hereby given that on the 24th day of September, 2015, Letters Testamentary, in respect to the estate of DOROTHY E. JORDAN, deceased, who died August 17, 2015, were issued to the undersigned by the Probate Court of Wilson County, Tennessee. All persons, resident and nonresident, having claims, matured or unmatured, against the estate are required to file the same with the Clerk of the above named Court on or before the date of the first publication of this notice to creditors at least sixty (60) days before the date that is four (4) months from the date of the first publication; or (B) Sixty (60) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication as described in (1)(A); or (2) Twelve (12) months from the decedent's date of death. Dated: October 1, 2015

THERESA COLE
PERSONAL REPRESENTATIVE
ESTATE OF DOROTHY E. JORDAN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
YANCY BELCHER
ATTORNEY
Wilson Post
Date to run October 2, 2015 October 9, 2015

NOTICE TO CREDITORS
ESTATE OF DOROTHY E. JORDAN
DECEASED
BARBARA WEBB
CLERK AND MASTER
PROBATE CLERK
YANCY BELCHER
ATTORNEY
Wilson Post
Date to run 10-2-15 & 10-9-15

PUBLIC NOTICE

In reference to Ordinance No. 15-5039, notice is hereby given that the Mayor and City Council of the City of Lebanon, Tennessee, will hold a public hearing at 5:55 PM on October 20, 2015, in the Council Chambers for the purpose of discussing and hearing comments from the citizens on the proposed amendment of Title 14 Chapter 6 Section 602 (CG-Commercial General) and Table 6.1 of the Lebanon Municipal Zoning Code to match the old B-4 lot requirements. The public hearing for the proposed amendment is being conducted pursuant to the laws of the State of Tennessee Code Annotated and the City of Lebanon, Tennessee. Copies of the proposed amendment are available for inspection at the following locations: City of Lebanon Mayor's Office, Engineering Office and Planning Office at 200 North Castle Heights Avenue. Questions can be addressed to Paul Corder at 444-3647 x2321. The public is welcome to attend.

Individuals needing auxiliary aids for effective communication and/or other reasonable accommodation in programs and services of the City of Lebanon are invited to make their needs and preferences known to the ADA Compliance Coordinator by calling 443-2809.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties. In accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Tennessee Orthopedics, P.C., Professional Private Practice owned by: Roy C. Terry, M.D., with an ownership type of Professional Corporation and to be managed by: Tennessee Orthopedics, P.C. Intends to file an application for a Certificate of Need for: Relocation of existing CON for MRI from current location to new leased location at 101 Physicians Way, Lebanon, TN 37090. MRI equipment under existing CON to be replaced with new MRI equipment at new location. Total estimated project cost is \$ 2,471,197.43.

The anticipated date of filing the application is: October 6, 2015
The contact person for this project is: Christl D. Griffin, Esq. Counsel to Applicant who may be reached at: Griffin Law Office 113 E. Main Street Lebanon TN 37087 (615) 668-0462.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to: Health Services and Development Agency
Andrew Jackson Building 9th Floor
503 Dendrick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

SUPPLEMENTAL #1

October 26, 2015

3:47 pm

SUPPLEMENTAL ATTACHMENT
PROJECT COMPLETION FORECAST CHART

October 26, 2015**3:47 pm** REVISED**PROJECT COMPLETION FORECAST CHART**

Enter the Agency projected Initial Decision date as published in T.C.A. § 68-11-1609(c):

December 23, 2015

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the **above agency decision date** to each phase of the completion forecast.

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	- 0 -	Completed
2. Construction documents approved by the Tennessee Department of Health	N/A	N/A
3. Construction contract signed	- 0 -	Completed
4. Building permit signed	- 0 -	Completed
5. Site preparation completed	- 0 -	Completed
6. Building construction commenced	- 0 -	Underway
7. Construction 40% complete		Completed
8. Construction 80% complete		11/15/15
9. Construction 100% complete (approved for occupancy)		1/15/16
10. *Issuance of license	N/A	N/A
11. *Initiation of service	Services currently being provided; Seeking MRI relocation only	2/1/16
12. Final Architectural Certification of Payment		2/1/16
13. Final Project Report Form (HF0055)		5/1/16

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

Supplemental #2 -ORIGINAL-

TENNESSEE ORTHOPEDICS
CN1510-041



GRIFFIN
LAW OFFICE

SUPPLEMENTAL #2

October 30, 2015

11:01 am

October 30, 2015

Reply to: Christi D. Griffin, Esq.
christi@griffinlawtn.com

HAND-DELIVERY

Mr. Phillip Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
500 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application CN1510-041
Tennessee Orthopedics, P.C. – Relocation of an MRI
Applicant's Response to 10/29/15 Request for Supplemental Information

Dear Mr. Earhart,

Please accept this filing as the response to your Oct. 29, 2015 request for supplemental information on the above-captioned CON application filed by Tennessee Orthopedics, P.C. The signed and notarized affidavit supporting this response to request for supplemental information follows this cover letter, followed by the response to each supplemental question. Please do not hesitate to contact me should you have questions or require additional information.

Sincerely,

Christi D. Griffin

1. Section C. (Need) Item 4 (Population Demographics)

Your response to this item is noted. Please use the present year of 2015 and the projected year of 2019 for the population statistics obtained from the Tennessee Department of Health. Please use the TennCare enrollment data for September 2015 from the following web-site: <http://www.tn.gov/tenncare/topic/enrollment-data>

RESPONSE:

<i>Variable</i>	<i>Wilson</i>	<i>Sumner</i>	<i>Macon</i>	<i>Smith</i>	<i>Trousdale</i>	<i>Service Area</i>	<i>Tennessee</i>
<i>Current Year (2015), Age 65+*</i>	18,939	26,272	3,775	3,134	1,275	53,395	1,012,937
<i>Projected Year (2019), Age 65+*</i>	22,683	30,856	4,275	3,496	1,431	62,741	1,134,565
<i>Age 65+, % Change</i>	19.8%	17.4%	13.2%	11.6%	12.2%	17.5%	12.0%
<i>Age 65+, % Total (PY)</i>	16.7%	16.6%	17.5%	17.1%	16.5%	16.7%	16.5%
<i>CY, Total Population*</i>	126,472	175,054	23,419	19,771	8,275	352,991	6,649,438
<i>PY, Total Population*</i>	135,567	186,146	24,366	20,468	8,667	375,214	6,894,997
<i>Total Pop. % Change</i>	7.2%	6.3%	4.0%	3.5%	4.7%	6.3%	3.7%
<i>TennCare Enrollees**</i>	18,384	28,882	6,805	4,271	2,005	60,347	1,461,025
<i>TennCare Enrollees as a % of Total Population</i>	14.5%	16.5%	29.1%	21.6%	24.2%	17.1%	22.0%
<i>Median Age***</i>	39.5	39.1	38.9	40.7	37.8	39.2	38.6
<i>Median Household Income***</i>	\$60,390	\$55,509	\$35,306	\$42,383	\$44,298	\$46,577	\$44,361
<i>Population % Below Poverty Level***</i>	10.2%	10.4%	21.2%	19.4%	17.6%	11.1%	18.3%

Sources:

*Tennessee Population Estimates 2015 and 2019, Tennessee Department of Health

**TennCare Enrollment Data, Sept. 2015, <http://www.tn.gov/tenncare/topic/enrollment-data>

***Tennessee QuickFacts from the U.S. Census Bureau, <http://quickfacts.census.gov/qfd/states>

2. Section C, Economic Feasibility, Item 4. (Historical and Projected Data Charts)

- Please clarify how the applicant plans to increase MRI procedures from 909 in 2014 to in 2,565 in 2017, a 182%.

RESPONSE:

MRI utilization in 2014 was decreased from the prior two years due to the reorganization of Applicant's practice when 4 of 6 orthopedic surgeons and mid-level practitioners abruptly left the practice in November 2013. For most of 2014, there were only 2 ordering providers – 1 orthopedic surgeon and 1 mid-level practitioner; and MRI utilization was significantly decreased from prior years. A physician assistant joined the practice in late 2014, but did not begin to see patients and order MRI's until 2015. As a result of this addition, there have been 3 ordering providers in 2015 and MRI utilization is higher than in 2014. Projections for steadily increasing MRI utilization in 2016 and 2017 are premised upon the addition of a 4th ordering provider (orthopedic surgeon) in September 2016, and a 5th ordering provider (also an orthopedic surgeon) by June 2017. Due to the addition of these orthopedic surgeons in 2016 and 2017, the patient census is expected to increase substantially as will be necessary to support their practices.

October 30, 2015

11:01 am

2. Section C, Economic Feasibility, Item 4. (Historical and Projected Data Charts) (CONTINUED)

- The applicant inserted 9.211 for payroll taxes in the Year 2013 in the Historical Data Chart. It appears it should be 9,211. Also, please place a 0 in the total Capital Expenditures row for 2012-2014 if there are none to report. Please make the corrections and resubmit a Historical Data Chart.

RESPONSE:

The revised Historical and Projected Data Charts are attached hereto as Supp.2 Attachment, Section C – General Criteria for Certificate of Need – Economic Feasibility – Item # 4 (Revised Historical and Projected Data Charts, as of 10/30/15).

3. Section C, Economic Feasibility, Item 8

The current ratio of 29,245 as of 9/30/15 appears to be incorrect. Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Please also revise the letter from Ancillary Healthcare Consulting dated October 26, 2015 which lists a current ratio of 29,245 and resubmit.

Please complete the following table to calculate the current ratio.

RESPONSE:

Current Ratio	Current Assets	Current Liabilities	Current Ratio
Current Ratio Formula: (Current Assets ÷ Current Liabilities)	\$314,749.44	\$136,059.81	2.31:1

Please see Supp.2 Attachment, Section C – General Criteria for Certificate of Need – Economic Feasibility – Item # 8, Applicant's revised financial representative letter from Ancillary Healthcare Consulting.

October 30, 2015

11:01 am

4. Proof of Publication

The Xerox copy of the full page of newspaper in which the notice of intent appeared is noted. However, please submit an original copy of the full page of the newspaper in which the intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

RESPONSE:

The full page of the Oct. 2, 2015 Wilson Post newspaper containing the notice of intent was provided in Applicant's response to the supplemental request for information filed with HSDA on October 26, 2015. This has been confirmed with the HSDA.

END RESPONSE TO SECOND SUPPLEMENTAL REQUEST FOR INFORMATION; ATTACHMENTS IMMEDIATELY FOLLOW

October 30, 2015

11:01 am

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Wilson

NAME OF FACILITY: TENNESSEE ORTHOPEDICS, PC

I, Roy Terry MD, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

[Signature]
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29 day of October, 2015, witness my hand at office in the County of Wilson, State of Tennessee.

Shawna Cooper
NOTARY PUBLIC

My commission expires 3/4, 2019.

HF-0043

Revised 7/02



SUPPLEMENTAL #2

October 30, 2015

11:01 am

SUPPLEMENTAL.2 ATTACHMENT

SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED –
ECONOMIC FEASIBILITY – ITEM # 4

(Revised Historical and Projected Data Charts, as of 10/30/15)

October 30, 2015**11:01 am****HISTORICAL DATA CHART (Revised 10/30/15)**

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in **JANUARY** (Month).

	Year 2012	Year 2013	Year 2014
A. Utilization Data (# MRI scans)	1197	1196	909
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	1,972,389	1,805,657	1,390,556
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$1,972,389	\$1,805,657	\$1,390,556
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$1,352,075	\$1,280,988	\$1,038,140
2. Provision for Charity Care	4,279	4,054	\$3,285
3. Provisions for Bad Debt	69,886	66,211	53,659
Total Deductions	\$1,426,240	\$1,351,253	\$1,095,084
NET OPERATING REVENUE	\$546,149	\$454,404	\$295,472
D. Operating Expenses			
1. Salaries and Wages	\$134,122	\$121,912	\$63,411
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	4,756	3,149	\$4,479
4. Taxes (Payroll Taxes)	11,101	9,211	5,116
5. Depreciation	_____	_____	_____
6. Rent	58,141	24,926	51,833
7. Interest, other than Capital	_____	_____	_____
8. Management Fees:			
a. Fees to Affiliates	_____	_____	_____
b. Fees to Non-Affiliates	_____	_____	_____
9. Other Expenses (Specify) All Other, MRI Lease, Utilities	228,641	278,471	281,540
Total Operating Expenses	\$436,761	\$437,669	\$406,379
E. Other Revenue (Expenses) – Net (Specify)	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$109,388	\$16,735	\$(110,907)
F. Capital Expenditures			
1. Retirement of Principal	\$ _____	\$ _____	\$ _____
2. Interest	_____	_____	_____
Total Capital Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	<u>\$109,388</u>	<u>\$16,735</u>	<u>\$(110,907)</u>

PROJECTED DATA CHART**October 30, 2015****11:01 am**

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in **JANUARY** (Month).

	Year 2016	Year 2017
A. Utilization Data (# MRI scans)	1693	2565
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	\$2,589,891	\$3,923,846
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$2,589,891	\$3,923,846
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$1,933,521	\$2,929,404_
2. Provision for Charity Care	6,119	9,270
3. Provisions for Bad Debt	99,939	151,414
Total Deductions	\$2,039,579	\$3,090,089
NET OPERATING REVENUE	\$550,312	\$833,757
D. Operating Expenses		
1. Salaries and Wages	\$53,040	\$53,040
2. Physician's Salaries and Wages	_____	_____
3. Supplies	8,342	12,639
4. Taxes	6,400	6,400
5. Depreciation	_____	_____
6. Rent	32,102	32,102
7. Interest, other than Capital (Build-out loan)	25,441	25,441
8. Management Fees:		
a. Fees to Affiliates	_____	_____
b. Fees to Non-Affiliates	_____	_____
9. Other Expenses (Specify) MRI Lease, Utilities, etc.	104,251	283,051
Total Operating Expenses	\$229,576	\$412,673
E. Other Revenue (Expenses) -- Net (Specify)	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$320,736	\$421,084
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ 0	\$ 0
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$320.736	\$421.084

SUPPLEMENTAL #2

October 30, 2015

11:01 am

SUPPLEMENTAL.2 ATTACHMENT

SECTION C – GENERAL CRITERIA FOR CERTIFICATE OF NEED –

ECONOMIC FEASIBILITY – ITEM # 8

(Applicant's Revised Financial Representative Letter from Ancillary Healthcare Consulting)

October 30, 2015**11:01 am**

Ancillary Healthcare Consulting
9786 Hartsville Pike
Lebanon, Tennessee 37087

October 30, 2015

Christi Griffin, Esq.
Griffin Law Office
113 East Main Street
Lebanon, Tennessee 37087

Re: Certificate of Need Application CN1510-041
Tennessee Orthopedics, P.C. – Relocation of an MRI

Dear Ms. Griffin:

I am providing this letter in support of Tennessee Orthopedic's CON application to relocate and upgrade the practice's MRI scanner. I am engaged by Tennessee Orthopedics to provide business consulting services, and in this capacity I am familiar with the financial affairs and operations of Tennessee Orthopedics. I am familiar with the subject CON application, including how the project costs will be paid.

Tennessee Orthopedics reports its financials on a cash basis, meaning that accounts receivable are not recorded as an asset. Rather, only cash payments received are recorded as an asset. However, Tennessee Orthopedics is a medical practice that bills insurance companies and patients for the medical and surgical services provided; and has a significant amount of current accounts receivable outstanding at any given time. These accounts receivable are an asset of the practice.

The Tennessee Orthopedics financial statements for month-ending September 30, 2015 show current assets of \$78,323.63. In addition, current accounts receivable (e.g., 0-30 days) outstanding as of September 30, 2015 are \$472,851.62, inclusive of filed insurance claims and patient invoices. An accounts receivable Aging Analysis, prepared by Tennessee Orthopedics' third-party billing service, is attached to this letter.

Typically, approximately 50% of gross charges billed to insurance companies is collected, reducing the estimated 9/30/15 accounts receivable expected to be collected from insurance companies to \$236,425.81. Taking contractual adjustments into consideration, as of September 30, 2015, Tennessee Orthopedics' current assets were \$314,749.44 (e.g., \$78,323.62 + \$236,425.81). The current ratio as of this date was 2.31:1 (e.g., current assets of \$236,425.81/current liabilities of \$136,059.81 as shown on the 9/30/15 balance sheet). Please note that the long-term liabilities shown on the 9/30/15 Balance Sheet are included in the current ratio calculation because these liabilities (e.g., line of credit, next 12 months lease obligations) are actually current liabilities. Applicant makes and categorizes its own accounting entries, which do not strictly comply with accounting standards that would require these liabilities to be listed as current liabilities.

In addition to its cash reserves, Tennessee Orthopedics has available a commercial line of credit from Pinnacle Bank in the amount of \$250,000 that is available to cover project expenses as may be necessary from time to time. The letter confirming the Pinnacle Bank line of credit is attached to this letter, showing an available balance of \$135,652.82 as of October 22, 2015.

Please let me know should you require further information. Thank you.

Sincerely,



Anne Thompson
Owner and Consultant

Attachments: As stated

TENNESSEE ORTHOPEDICS FINANCIAL STATEMENTS
MONTH-ENDING 9/30/15

October 30, 2015
11:01 am

October 30, 2015

11:01 am

Tennessee Orthopedics, PC 2015
Balance Sheet
September 30, 2015

ASSETS

Current Assets		
Cash - First Tennessee	\$	28,627.01
Cash - Wilson Bank		15,422.83
Cash - Pinnacle Bank Checking		2,445.39
RMA Escrow Account		19,854.80
A/R-Neely/Cornelius (Meaningfu		11,973.60
		<hr/>
Total Current Assets		78,323.63
Property and Equipment		
Medical Equipment - ANC		528,882.40
Medical Equipment - Gallatin		28,480.21
Medical Equipment - IRG		175,743.40
Leasehold Improvements		31,698.84
Medical Equipment		130,165.37
Office Equipment		342,977.18
Furniture & Fixtures		67,463.29
Accumulated Depreciation - ANC		(528,882.00)
Accumulated Depreciation - IRG		(175,744.00)
Accumulated Depreciation		(498,703.38)
		<hr/>
Total Property and Equipment		102,081.31
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	<u>180,404.94</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Shareholder Loan	\$	(11,631.43)
		<hr/>
Total Current Liabilities		(11,631.43)
Long-Term Liabilities		
Line of Credit - Pinnacle		114,347.18
Equipment Lease		4,956.83
Equipment Lease		28,387.23
		<hr/>
Total Long-Term Liabilities		147,691.24
		<hr/>
Total Liabilities		136,059.81
Capital		
Retained Earnings		(13,393.43)
Common Stock		8,000.00
Net Income		49,738.56
		<hr/>
Total Capital		44,345.13
		<hr/>
Total Liabilities & Capital	\$	<u>180,404.94</u>

Unaudited - For Management Purposes Only

October 30, 2015

Page: 1

11:01 am

Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Revenues				
Fees	\$ 35,273.10	12.70	\$ 230,106.68	10.39
Fees	52,255.98	18.81	463,736.57	20.93
Fees	1,009.67	0.36	1,807.40	0.08
Fees for Beau	0.00	0.00	56,072.86	2.53
Fees	6,479.00	2.33	36,702.50	1.66
Fees	38,099.10	13.72	357,111.69	16.12
Fees	639.45	0.23	3,263.18	0.15
Fees	122,746.42	44.19	925,400.76	41.77
Fees	379.78	0.14	921.47	0.04
Fees	20,212.79	7.28	117,442.17	5.30
Fees for Greg	109.84	0.04	22,074.42	1.00
Fees	0.00	0.00	360.00	0.02
Other Income	0.00	0.00	1,537.12	0.07
Other Income	0.00	0.00	352.77	0.02
Refunds	0.00	0.00	(200.00)	(0.01)
Refunds	0.00	0.00	(873.57)	(0.04)
Refunds	0.00	0.00	(101.35)	0.00
Refunds	0.00	0.00	41.71	0.00
Refunds	553.73	0.20	(4,233.34)	(0.19)
Refunds	0.00	0.00	65.12	0.00
Refunds	0.00	0.00	(323.40)	(0.01)
Returned Checks	0.00	0.00	(56.94)	0.00
Returned Checks	0.00	0.00	(66.94)	0.00
Rental Income	0.00	0.00	1,500.00	0.07
Rental Income	0.00	0.00	2,796.49	0.13
Total Revenues	277,758.86	100.00	2,215,437.37	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	277,758.86	100.00	2,215,437.37	100.00
Expenses				
Accounting Fees	0.00	0.00	14,295.00	0.65
Automobile Expenses	0.00	0.00	1,025.16	0.05
Automobile Expenses	185.13	0.07	2,568.18	0.12
Bank Service Charges	0.00	0.00	359.13	0.02
Bank Service Charges	14.00	0.01	1,446.48	0.07
Bank Service Charge	0.00	0.00	14.00	0.00
Billing & Collections	0.00	0.00	252.10	0.01
Billing & Collections	504.83	0.18	539.01	0.02
Billing & Collections	57.74	0.02	373.03	0.02
Billing & Collections	286.92	0.10	1,045.92	0.05
Billing & Collections	9,735.79	3.51	40,871.20	1.84
Billing & Collections	113.92	0.04	297.81	0.01
Computer Repair & Svs.	0.00	0.00	1,908.13	0.09
Computer Repair & Svs.	0.00	0.00	845.30	0.04
Computer Repair & Svs.	710.13	0.26	8,181.95	0.37
Contract Labor	0.00	0.00	269.01	0.01
Contract Labor	0.00	0.00	5,604.50	0.25
Contract Labor	0.00	0.00	250.00	0.01

For Management Purposes Only

October 30, 2015**11:01 am**

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Contract Labor	0.00	0.00	3,575.75	0.16
Contract Labor	0.00	0.00	10,266.40	0.46
Contracted Services	0.00	0.00	200.61	0.01
Contracted Services	0.00	0.00	757.90	0.03
Contracted Services	1,148.95	0.41	28,039.93	1.27
Credit Card Fees	0.00	0.00	122.21	0.01
Credit Card Fees	0.00	0.00	565.67	0.03
Credit Card Fees	1,092.29	0.39	2,454.93	0.11
Dues & Subscriptions	0.00	0.00	75.00	0.00
Dues and Subscriptions	0.00	0.00	84.00	0.00
Dues & Subscriptions	0.00	0.00	815.82	0.04
Dues & Subscriptions	0.00	0.00	2,097.23	0.09
Equipment Lease	0.00	0.00	145,239.47	6.56
Equipment Lease	0.00	0.00	310.60	0.01
Flowers & Gifts	0.00	0.00	165.18	0.01
Flowers & Gifts	0.00	0.00	125.15	0.01
Housekeeping/Maintenance	268.00	0.10	588.00	0.03
Housekeeping/Maintenance	358.00	0.13	692.30	0.03
Housekeeping/Maintenance	844.00	0.30	3,892.00	0.18
Insurance - General Liability	472.50	0.17	3,730.50	0.17
Insurance - Staff	(59.60)	(0.02)	(514.07)	(0.02)
Insurance - Staff	(153.86)	(0.06)	1,486.50	0.07
Insurance - Staff	(122.04)	(0.04)	(640.90)	(0.03)
Insurance - Staff	(230.80)	(0.08)	(1,835.40)	(0.08)
Insurance - Staff	0.00	0.00	266.40	0.01
Insurance - Work Comp	0.00	0.00	1,846.50	0.08
Interest Expense	0.00	0.00	370.81	0.02
Interest Expense	1,783.95	0.64	10,474.80	0.47
Laundry	41.71	0.02	262.38	0.01
Laundry	84.54	0.03	225.28	0.01
Laundry	13.11	0.00	1,697.73	0.08
Legal Fees	0.00	0.00	925.00	0.04
Legal Fees	0.00	0.00	616.00	0.03
Legal Fees	0.00	0.00	6,860.80	0.31
Legal Fees	0.00	0.00	38,352.12	1.73
Licenses & Permits	0.00	0.00	69.04	0.00
Licenses & Permits	50.00	0.02	100.00	0.00
Licences & Permits	0.00	0.00	285.00	0.01
Licenses & Permits	0.00	0.00	1,888.42	0.09
Licenses & Permits	0.00	0.00	235.00	0.01
Marketing	0.00	0.00	2,235.00	0.10
Marketing	0.00	0.00	665.28	0.03
Marketing	0.00	0.00	5,852.17	0.26
Meals & Entertainment	0.00	0.00	576.39	0.03
Meals and Entertainment	0.00	0.00	50.92	0.00
Medical Waste	0.00	0.00	13.33	0.00
Medical Waste	278.33	0.10	2,723.66	0.12
Office Expense	0.00	0.00	84.10	0.00
Office Expense	0.00	0.00	1,437.12	0.06
Office Expense	0.00	0.00	207.05	0.01
Office Expense	333.67	0.12	1,471.58	0.07
Payroll Fees	396.35	0.14	3,332.84	0.15
Payroll - Staff Compensation	4,588.64	1.65	43,020.20	1.94
Payroll - Staff Compensation	13,995.56	5.04	176,140.56	7.95
Payroll - Staff Compensation	5,681.14	2.05	31,896.74	1.44

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Tennessee Orthopedics, PC 2015
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	Current Month		Year to Date	
Payroll - Staff Compensation	1,923.08	0.69	7,692.32	0.35
Payroll - Staff Compensation	21,759.66	7.83	286,632.42	12.94
Payroll - Staff Compensation	9,583.34	3.45	91,041.75	4.11
Postage & Delivery	0.00	0.00	84.17	0.00
Postage & Delivery	0.00	0.00	48.99	0.00
Postage & Delivery	0.00	0.00	1,038.01	0.05
Printing & Reproduction	101.93	0.04	366.37	0.02
Printing & Reproduction	0.00	0.00	207.75	0.01
Printing & Reproduction	0.00	0.00	921.47	0.04
Printing & Reproduction	255.59	0.09	2,275.54	0.10
Rent	2,250.00	0.81	20,470.00	0.92
Rent	0.00	0.00	640.00	0.03
Rent	2,959.00	1.07	36,154.16	1.63
Rent	855.15	0.31	3,420.60	0.15
Rent	800.00	0.29	3,200.00	0.14
Rent	9,166.91	3.30	111,647.37	5.04
Repairs	0.00	0.00	279.69	0.01
Repairs	0.00	0.00	400.00	0.02
Repairs	0.00	0.00	8,638.57	0.39
Repairs	316.83	0.11	5,978.38	0.27
Service Contract - Equipment	8,608.73	3.10	76,369.84	3.45
Service Contract - Equipment	0.00	0.00	1,523.15	0.07
Service Contract - Equipment	464.63	0.17	2,314.88	0.10
Supplies - Drugs & Injections	0.00	0.00	5,250.00	0.24
Supplies - Drugs and Injection	4,515.01	1.63	9,359.40	0.42
Supplies - Drugs & Injections	2,746.00	0.99	59,913.00	2.70
Supplies - Medical	0.00	0.00	1,513.07	0.07
Medical Supplies	0.00	0.00	107.60	0.00
Supplies - Medical	0.00	0.00	46.15	0.00
Supplies - Medical	1,203.06	0.43	27,790.32	1.25
Supplies - Office	30.72	0.01	174.88	0.01
Office Supplies	0.00	0.00	1,890.24	0.09
Supplies - Office	620.84	0.22	9,866.32	0.45
Supplies - Other	0.00	0.00	6.51	0.00
Supplies - Other	0.00	0.00	2.79	0.00
Supplies - Other	197.91	0.07	1,347.04	0.06
Taxes - Franchise & Excise	0.00	0.00	2,600.00	0.12
Taxes - Personal Property	0.00	0.00	1,678.96	0.08
Taxes - Staff Payroll	350.82	0.13	3,319.65	0.15
Taxes - Staff Payroll	358.98	0.13	10,265.48	0.46
Taxes - Staff Payroll	425.04	0.15	2,395.69	0.11
Taxes - Staff Payroll	156.53	0.06	644.03	0.03
Taxes - Staff Payroll	1,511.86	0.54	24,165.12	1.09
Taxes - Staff Payroll	733.12	0.26	7,027.52	0.32
Telephone/Internet/TV	0.00	0.00	2,596.04	0.12
Telephone/Internet/TV	0.00	0.00	5,351.46	0.24
Telephone/Internet/TV	0.00	0.00	15,470.51	0.70
Tier II Expenses	0.00	0.00	277,031.00	12.50
Transcription	0.00	0.00	177.92	0.01
Transcription	0.00	0.00	528.96	0.02
Transcription	0.00	0.00	789.84	0.04
Travel CME	0.00	0.00	1,500.00	0.07
Travel - CME	0.00	0.00	7,336.14	0.33
Travel - CME	0.00	0.00	295.00	0.01
Utilities	0.00	0.00	11,009.61	0.50

For Management Purposes Only

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Tennessee Orthopedics, PC 2015
Total
Income Statement
For the Nine Months Ending September 30, 2015

	Current Month		Year to Date	
Utilities	375.64	0.14	3,205.61	0.14
Utilities	1,088.09	0.39	6,276.67	0.28
Utilities	0.00	0.00	1,414.42	0.06
Disability Ins - Mid-level	133.20	0.05	771.92	0.03
Disability Ins - Staff	82.62	0.03	140.44	0.01
Disability Ins - Physician	84.95	0.03	2,161.25	0.10
Disability Ins - Mid-level	133.20	0.05	1,560.54	0.07
Health Ins - Physician	111.91	0.04	3,490.38	0.16
Payroll - Phy Salary	58,494.45	21.06	340,013.62	15.35
Payroll Taxes - Physician	977.25	0.35	12,865.38	0.58
Depreciation	2,603.20	0.94	24,379.99	1.10
Ancillary Bonus Allocated	0.00	0.00	(49,399.25)	(2.23)
Ancillary Bonus Allocated	0.00	0.00	49,399.25	2.23
Total Expenses	178,452.15	64.25	2,165,698.81	97.75
Net Income	\$ 99,306.71	35.75	\$ 49,738.56	2.25

For Management Purposes Only

ACCOUNTS RECEIVABLE AGING ANALYSIS
AS OF 9/30/15

October 30, 2015
11:01 am

October 30, 2015

11:01 am

MEDICAL BILLING ASSOCIATES, INC.

*P.O. Box 5000
Lebanon, Tennessee 37088
615-444-2320
615-547-9845 fax*

October 26, 2015

Anne Thompson
Owner
Ancillary Healthcare Consulting
9786 Hartsville Pike
Lebanon, Tennessee 37087

Dear Ms. Thompson,

Please see attached the requested Accounts Receivable Aging Analysis report for Tennessee Orthopedics as of 9/30/15. Current accounts receivable (e.g., accounts outstanding 0-30 days) includes gross charges billed to insurance companies as well as invoices to patients for amounts not covered by health insurance. Based on historical billing and collections data, we estimate that 50% of the current accounts receivable is collectable after adjustments for insurance contractual discounts and bad debt. Thank you, and please let me know should you require further information.

Cordially,



Debra Dismukes
Medical Billing Associates
President

{RP00064} Financial - Analyses
 TENNESSEE ORTHOPEDICS, P.C.
 USER - debbie

Aging Analysis

DATE 10/22/2015
 TIME 14:44
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***** AGING ANALYSIS REPORT *****
 by CUR PAT TYPE

	0-30	31-60	61-90	91-120	121-150	OVER 150	TOTAL CHARGES	TOTAL RECEIPTS	TOTAL BALANCE
1 -SELF PAY	5199.93	357308.21	11184.46	10447.70	15385.43	1109.44	87578.20	313056.97	400635.17
2 -MEDICARE	78029.44	58572.64	3923.72	4169.69	3692.35	1694.39	741746.31	591664.08	150082.23
3 -MEDICAID	5876.00	40.00	85.00	80.00	236.18	40.00	18347.56	11990.38	6357.18
4 -MEDICARE/MEDICAID	22454.00	8988.69	2200.72	1838.58	572.65	956.11	207578.01	170567.26	37010.75
5 -BLUE CROSS/BLUE SHI	91485.48	90915.96	39786.26	7103.32	19403.98	3136.92	876969.60	625137.68	251831.92
6 -COMMERCIAL INSURANC	19510.24	76558.72	36268.84	16791.46	8799.89	2955.19	247247.77	86363.43	160884.34
10 -WORKER'S COMPENSATI	43523.73	44846.68	29874.39	9516.15	10870.79	620.00	323834.56	184582.82	139251.74
11 -TENNCARE/MEDICAID		46454.07		4764.84		6933.70		848594.28	
	120871.96		19212.97		4013.19		1050845.01		202250.73
12 -TENNCARE/UNINSURED	2993.00	1228.18	98.58	50.00	.00	.00	12665.24	8295.48	4369.76
13 -CIGNA	23007.00	24722.66	2983.10	1334.84	2939.14	221.62	165816.28	110607.92	55208.36
14 -AETNA	8069.24	26891.44	1951.23	2808.77	4035.64	652.98	110019.01	65609.71	44409.30
15 -UNITED HEALTHCARE	16267.00	23403.66	3236.08	1779.93	4686.31	629.39	192453.82	142451.45	50002.37
16 -HEALTHSPRINGS	26813.60	11404.44	5180.49	10793.68	6221.49	4791.72	193689.48	128484.06	65205.42
17 -CHAMPUS	8751.00	2895.24	70.15	12.00	248.06	477.54	37915.56	25461.57	12453.99
25 -VETERANS	.00	.00	.00	.00	.00	.00	801.00	801.00	.00
100 -COURTESY	.00	30.00	50.00	50.00	552.91	.00	4219.00	3536.09	682.91
***** GRAND TOTALS *****	472,851.62	774,260.59	156,105.99	71,540.96	81,658.01	24,219.00	2,691,090.24	4,271,726.41	1,580,636.17

October 30, 2015

PINNACLE BANK COMMERCIAL LINE OF CREDIT

SUPPLEMENTAL #2

October 30, 2015

11:01 am

Pinnacle
FINANCIAL PARTNERS

10/30/15 11:01 AM

October 22, 2015

Christi Griffin, Esquire
Griffin Law Firm
113 East Main Street
Lebanon, TN 37087

Dr. Roy Terry has a \$250,000.00 line of credit with Pinnacle Bank. This line of credit is solely for use in the business of Tennessee Orthopedics. The balance outstanding is variable. As of today's date, the outstanding balance is \$114,347.18 .

Please do not hesitate to contact me with any questions.

Sincerely,

Jeff Porter
(cfd)

Jeff Porter
Vice President